

**CAMIRA GROUP HOLDINGS LIMITED**

**(Company Number 09512739)**

**(the "Company")**

..... *29 March* ..... 2016

**(the "Circulation Date")**

**WRITTEN RESOLUTIONS**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as ordinary and special resolutions (as indicated below) (the "**Resolutions**")

**ORDINARY RESOLUTION**

- 1 **THAT** notwithstanding anything to the contrary in the articles of association of the Company the directors be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot, in substitution for all existing authorities, relevant securities with a nominal value of up to £16,347 26 (sixteen thousand three hundred forty-seven pounds and twenty six pence) provided that this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of this resolution but so that such authority shall allow the Company to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the power conferred hereby had not expired

**SPECIAL RESOLUTION**

- 2 **THAT** the regulations contained in the document attached hereto, and initialled by a director of the Company for identification, are hereby approved and adopted as the articles of association of the Company and in substitution for and to the exclusion of all existing articles of association of the Company



## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions set out above

The undersigned, each a person entitled to vote on the above Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions set out above

Signed by **NICHOLAS  
BROWN**

Date

Signed by **ALAN WILLIAMS**

Date

29 March 2016

Signed by **ANDREW  
SCHOFIELD**

Date

Signed by **REINER RUPP**

Date

Signed by **ABDUL ALI**

Date

Signed by **ANTHONY  
CROALL**

Date

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BROWN**

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SCHOFIELD**

Date

Signed by **REINER RUPP**

Date

Signed by **ABDUL ALI**

Date

*Abdul Ali*  
*29 March 2016*

Signed by **ANTHONY  
CROALL**


Date

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Signed by **NICHOLAS BROWN**

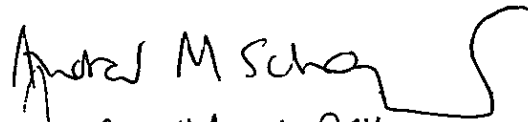
  
29 March 2016

Date

Signed by **ALAN WILLIAMS**

Date

Signed by **ANDREW SCHOFIELD**

  
29 March 2016

Date

Signed by **REINER RUPP**

  
29 March 2016

Date

Signed by **ABDUL ALI**

Date

Signed by **ANTHONY CROALL**

  
29 March 2016

Date

Signed by **THE  
PRUDENTIAL INSURANCE  
COMPANY OF AMERICA  
INC** acting by a Vice  
President

Date





29 March 2016





Signed by **PRUDENTIAL  
LEGACY INSURANCE  
COMPANY OF NEW  
JERSEY** acting by a Vice  
President of PGIM, Inc , as  
its investment manager

Date

29 March 2016





Signed by **PRUCO LIFE  
INSURANCE COMPANY**  
acting by an Assistant Vice  
President

Date

29 March 2016

## NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
  - (a) By Hand delivering the signed copy addressed to the directors of the Company at the Company's registered office
  - (b) Post returning the signed copy by post addressed to the directors of the Company at the Company's registered office
- 2 If you do not agree to all of the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 4 Unless, before the end of the period of 28 days beginning on the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date
- 5 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

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**ARTICLES OF ASSOCIATION**  
of  
**CAMIRA GROUP HOLDINGS LIMITED**  
(Company Number 09512739)

(Adopted by Written Special Resolution passed on *29*  
*March* 2016)

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**CAMIRA GROUP HOLDINGS LIMITED**  
**(Adopted by on 29 March 2016)**

**1 DEFINITIONS AND INTERPRETATION**

1.1 The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles (the "**Model Articles**") shall apply to the Company save as expressly excluded or modified by these Articles or as are inconsistent with the provisions contained herein

1.2 Model Articles 11, 13, 14, 21, 52 and 53 shall be disapplied and Model Article 44(2)(c) shall be amended by replacing "two or more persons" with "any person"

1.3 The Company is a private company and no shares or debentures of the Company may be offered to the public

1.4 In these Articles, the following definitions apply

"**Acceptance Period**" has the meaning given to it in Article 10.4

"**Acting in Concert**" has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed at the Investment Date

"**A Loan Notes**" means the £20,000,000 variable rate senior secured notes due 2021 issued or to be issued by Bidco pursuant to the Securities Purchase Agreement

"**Articles**" means these articles of association as originally framed or as from time to time altered and the expression "**Article**" shall be construed accordingly

"**A Shares**" means the A ordinary shares of £0.01 each in the capital of the Company

"**Auditors**" means the auditors for the time being of the Company

"**Bank**" means HSBC Bank plc

"**Banking Agreements**" means the Revolving Credit Agreements and any replacement agreements entered into on a refinancing of the Group

"**Bidco**" means Camira Holdings Limited (Company Number 09521644), a wholly owned subsidiary of the Company



**"B Loan Notes"** means the £11,500,000 fixed rate senior secured notes due 2022 issued or to be issued by Bidco pursuant to the Securities Purchase Agreement

**"Board"** means the board of directors of the Company from time to time including the Investor Director(s) if any shall have been appointed or the Directors present at a duly convened quorate meeting of the Board

**"B Shares"** means the redeemable B ordinary shares of £0.001 each in the capital of the Company redeemable in accordance with Article 25

**"Business Day(s)"** means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday

**"Cash Right"** has the meaning given to it in Article 25,

**"Cash Right Event"** means any one or more of the following,

- (a) repayment in full of the B Loan Notes,
- (b) the acceleration of the B Loan Notes,
- (c) an order is made or an effective resolution is passed for the winding up or dissolution (whether voluntary or involuntary) of the Company, or if any other dissolution of the Company is to be effected other than for the purposes of a bona fide reorganisation of the Company,
- (d) 24 April 2022

**"Cash Right Holder"** has the meaning given to it in Article 25

**"Cessation Date"** means

- (a) where a contract of employment, contract for services or directorship is terminated by the employer giving notice to the employee of the termination of the employment, engagement or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),
- (b) where a contract of employment, contract for services or directorship is terminated by the employee by giving notice to the employer of the termination of the employment, the engagement or directorship, the date of that notice,
- (c) where an employer or employee/consultant wrongfully repudiates the contract of employment or contract for services and the other accepts that the contract of employment or contract for services has been terminated, the date of such acceptance,
- (d) where a contract of employment or contract for services is terminated under the doctrine of frustration, the date of the frustrating event, and

- (e) where a contract of employment, contract for services or directorship is terminated for any reason other than in the circumstances set out in paragraphs (a) to (d) above, the date on which the action or event giving rise to the termination occurs

**"Chairman"** means the chairman of the Board

**"Chairman's Interest"** has the meaning given to it in Article 19 7(b)

**"Change of Control"** has the meaning given to it in the Securities Purchase Agreement

**"C Loan Notes"** means the £5,231,000 fixed rate unsecured loan notes due 2022 issued or to be issued by Bidco and constituted by a loan note instrument dated on or about the Investment Date

**"Companies Acts"** has the meaning given by section 2 of the Companies Act 2006 and includes any enactment passed after that Act which may, by virtue of that or any other such enactment, be cited together with that Act as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment)

**"Competitor"** means

- (a) any supplier, customer or any business which the Company transacts in the ordinary course of business, or
- (b) any person or business other than any member of the Group or a holder of B Shares, who derives at least 25% of their revenue from the manufacturing or selling of fabrics or furniture to the office, contract or mass transportations industries as well as any existing raw material suppliers to the Group

**"Confidential Information"** has the meaning given to it in Article 19 5

**"Connected Persons"** shall have the meaning provided by section 1122 of the Corporation Taxes Act 2010

**"Controlling Interest"** in relation to a person means the ownership by that person and his or its Connected Persons of Shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company

**"C Shares"** means the C ordinary shares of £0 01 each in the capital of the Company

**"Deed of Adherence"** means a deed of adherence in the form required by the Board including the Investor Director(s)

**"Determination Period"** has the meaning given to in it Article 10 4

**"Director"** means any director of the Company for the time being

**"D Shares"** means the D ordinary shares of £0 01 each in the capital of the Company

**"EBT"** means a trust established to enable or facilitate the holding of Shares by or for the benefit of all or most of the bona fide employees of one or more Group Companies

**"Equity Proceeds"** has the meaning given to it in Article 4 1

**"Equity Shares"** means the A Shares, the B Shares and the C Shares and any shares derived therefrom whether by conversion, consolidation or subdivision or by way of rights or bonus issue or otherwise for the time being in issue

**"Exit Event"** means the earliest to occur of

- (a) the date and time on which a Sale is completed,
- (b) the date and time at which a Listing takes place, or
- (c) the date and time at which a Liquidation takes place

**"Financial Year"** means a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act

**"Group"** means the Company and its Subsidiaries from time to time and **"Group Company"** means any one of them

**"Group Company Interest"** has the meaning given to it in Article 19 3

**"Holder"** in relation to Shares, means the member whose name is entered in the Register of Members as the holder of such Shares

**"Initial Sale Share Allocation"** has the meaning given to it in Article 10 4(b)

**"Investment Agreement"** means the investment agreement dated the Investment Date and made between (1) the Company, (2) Bidco, (3) the Managers (as defined therein) and (4) the Investor(s) as the same may be amended or supplemented from time to time

**"Investment Date"** means 24 April 2015

**"Investor(s)"** means each of The Prudential Insurance Company of America, Prudential Legacy Insurance Company of New Jersey, Pruco Life Insurance Company and any other person who becomes an investor for the purposes of the Investment Agreement

**"Investor Consent"** means the consent or approval of the holders of a majority of the B Shares (or, where expressly provided in these Articles, the consent or approval of at least one Investor Director) (in either case including any conditions to which such consent or approval is subject) in either case given in writing

**"Investor Director Interest"** has the meaning given to it in Article 19 4

**"Investor Director(s)"** means the director(s) appointed by the Investor(s) pursuant to the Investment Agreement as the Investor Director(s)

**"Issue Price"** means the amount paid up or credited as paid up (including any premium on issue) on a Share, which for the Shares issued on the Investment Date is set out in Schedule 4 of the Investment Agreement

**"Leaver" means**

- (a) any person who is at the date of adoption of these Articles or who later becomes an employee and/or director or consultant of any Group Company and who subsequently ceases to be so employed or engaged and does not continue in any such capacity for any reason whatsoever (including death, bankruptcy or as a result of a Group Company ceasing to be a Subsidiary of the Company),
- (b) any Member who is the nominee of any person referred to in (a) above in respect of the Share held on behalf of such person,
- (c) any Member who is (or is the nominee of) a family member (as defined in Article 9 1) or family trust (as defined in Article 9 1) of any person referred to in (a) above, and
- (d) any person who becomes entitled to any Shares
  - (i) following the death of a Member,
  - (ii) following the bankruptcy of a Member

**"Leaving Date" means**

- (a) in relation to any person who ceases to be an employee and/or director or consultant of any Group Company or a nominee, Family Member or Family Trust of such person, the Cessation Date; and
- (b) in relation to person who acquires Shares following the death or bankruptcy of Member, the date they first acquired such Shares

**"Leaver's Shares"** means all A Shares, C Shares and D Shares held by the Leaver, or to which he is entitled, on the Leaving Date and any A Shares, C Shares and D Shares acquired by the Leaver after the Leaving Date

**"Liquidation"** means the solvent liquidation or winding up of the Company

**"Listing" means**

- (c) the admission of all or any of the Shares to trading on a market for listed securities operated by London Stock Exchange plc and to the Official List of the UK Listing Authority, or
- (d) the admission of such Shares to the Alternative Investment Market of London Stock Exchange plc, or
- (e) the admission of such Shares to, or to trading on, any Recognised Investment Exchange approved by the Majority Investors and, if necessary, to any official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority, or
- (f) the admission of such Shares to, or to trading on, any other market wherever situated agreed to by the Majority Investors and, if necessary, to listing on any

official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority,

and "Listed" will be construed accordingly

**"Loan Notes"** means the A Loan Notes, the B Loan Notes and the C Loan Notes

**"Market Value"** means the price payable for any Shares determined pursuant to Article 11

**"Member"** means a person for the time being registered in the Register of Members as the holder of any Shares

**"Offer Direction"** has the meaning given to it in Article 10 4

**"Offer Notice"** has the meaning given to it in Article 10 5

**"Permitted Transfer"** means a transfer of Shares permitted by Article 9

**"Relevant Investor"** has the meaning given to it in Article 19 4(a)

**"Relevant Member"** has the meaning given to it in Article 10 5

**"Register of Members"** means the register of members of the Company from time to time

**"Revolving Credit Loan Agreements"** means

- (a) the senior revolving credit agreement entered into on or around the Investment Date between, inter alia, the Bank, the Company and Bidco (among others), and
- (b) any document entered into by any Group Company purporting to create any security or similar arrangement or give any guarantee or other assurance in support of the facilities made available under the document described in (a) above or regulate the priorities as between any such security and any other security or the order in which payments are to be made to the lenders under those facilities and any other facilities,

in each case as amended, waived, restated, modified or supplemented for the time being

**"Sale"** means the acceptance of an offer or the making of an agreement which upon the satisfaction of the conditions (if any) of such offer or agreement results in

- (a) the obtaining of a Controlling Interest, or
- (b) the sale of a material part of the business of a Group Company or the Group

**"Sale Price"** has the meaning give to it in Article 10 2

**"Sale Shares"** has the meaning give to it in Article 10 1(a)(i)

**"Securities Purchase Agreement"** means the Securities Purchase Agreement, dated the Investment Date, by and between the Company, Bidco, certain subsidiaries of Bidco and the purchasers named therein

**"Share(s)"** means shares in the capital of the Company of any class from time to time

**"Situational Conflict"** means a direct or indirect interest of a Director which conflicts or may potentially conflict with the interests of the Company (other than a Transactional Conflict or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest) For these purposes, a conflict of interests shall include a conflict of interest and duty and a conflict of duties

**"Subsidiary"** means a subsidiary as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsection 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee

**"Tag Along Transfer"** means any transfer of Equity Shares if made and registered, either (i) by a person or persons Acting in Concert obtaining a Controlling Interest or (ii) resulting in any two of the Original Managers (as defined in the Investment Agreement) holding less than the number of Equity Shares held by them at the date of adoption of these Articles

**"Total Transfer Condition"** has the meaning given to it in Article 10 1(a)(v)

**"Transactional Conflict"** means a direct or indirect conflict of interest of a Director which arises in relation to an existing or proposed transaction or arrangement with the Company

**"Transfer Notice"** means a notice given or deemed to have been given in relation to any Shares as specified in Article 10 1(a)

**"Valuers"** means the Auditors unless

- (a) a report on Market Value is to be made pursuant to a Deemed Transfer Notice and, within 21 days after the date of the Deemed Transfer Notice, the Vendor notifies the Board in writing that it objects to the Auditors making that report, or
- (b) the Auditors decline an instruction to report on Market Value,

when the Valuers for the purpose of that report shall be a firm of chartered accountants agreed between the Vendor and the Board (with Investor Consent) or, in default of agreement within 20 Business Days after the event referred to in (a) or (b) above, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or the Board

**"Vendor"** has the meaning given to it in Article 10 1(a)

- (a) In these Articles, where the context admits

- (b) words and phrases which are defined or referred to in or for the purposes of the Companies Acts have the same meanings in these Articles unless they are already defined within the Articles or the context otherwise requires,
- (c) references to statutes or statutory provisions and orders or regulations made thereunder include that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time before the date hereof and to any previous statute, statutory provision, order or regulation amended, modified, re-enacted or replaced by such statute, provision, order or regulation,
- (d) reference to a gender includes the other gender, and reference to the singular includes the plural and vice versa, and
- (e) headings are for ease of reference only and shall not affect the construction or interpretation of these Articles

## **2 SHARE CAPITAL**

The maximum authorised share capital of the Company at the date of the adoption of these Articles is £204,801 87 divided into

- (a) 15,880,198 A Shares,
- (b) 3,970,050 B Shares,
- (c) 3,502,984 C Shares, and
- (d) 700,000 D Shares

## **SHARE RIGHTS**

### **3 DIVIDENDS**

- 3 1 Subject to the Board recommending payment and Investor Consent, any profits which the Company may determine to distribute shall be distributed amongst the holders of Equity Shares (pari passu as if the Equity Shares constituted one class of Share) according to the number of Equity Shares held by each of them
- 3 2 The holders of D Shares shall not be entitled (in that capacity) to any distribution of profits or dividend

### **4 CAPITAL**

- 4 1 On a return of capital on liquidation or capital reduction or otherwise (except in the case of the redemption of Shares of any class or the purchase by the Company of its own Shares), the surplus assets of the Company available for distribution among the Members shall be applied as follows
  - (a) firstly, in paying to each Member holding D Shares an amount equal to the aggregate nominal value of all the D Shares held by him (the balance of proceeds after the payment of such amount being the "Equity Proceeds")

- (b) secondly, in paying
- (i) to the members holding B Shares, in aggregate
    - (A)  $B / D$  multiplied by the Equity Proceeds, plus
    - (B) if the aggregate amount of Equity Proceeds is less than the Minimum Value Amount, the Ratchet Amount

pro-rata to their respective holdings of B Shares,
  - (ii) to the members holding A Shares, in aggregate
    - (A)  $A / D$  multiplied by the Equity Proceeds, plus
    - (B) the Equity Adjustment, less
    - (C) if the aggregate amount of Equity Proceeds is less than the Minimum Value Amount, the Ratchet Amount multiplied by  $G / (G + H)$

pro-rata to their respective holdings of A Shares,
  - (iii) to the members holding C Shares, in aggregate
    - (D)  $C / D$  multiplied by the Equity Proceeds, less
    - (E) the Equity Adjustment, less
    - (F) if the aggregate amount of Equity Proceeds is less than the Minimum Value Amount, the Ratchet Amount multiplied by  $H / (G + H)$

pro-rata to their respective holdings of C Shares

4.2 For the purposes of Article 4.1

**A** = the total number of A Shares in issue at the relevant date

**B** = the total number of B Shares in issue at the relevant date

**C** = the total number of C Shares in issue at the relevant date

**D** =  $A+B+C$  = the total number of Equity Shares in issue at the relevant date (as adjusted to take into account the lower valuation imposed on the C Shares as a result of clause 12.5)

**Equity Adjustment** =  $(G \times 1\%) \times C / (A + C)$  less  $(H \times 1\%) \times A / (A+C)$

**E** = Equity Proceeds available for the members in respect of A, B and C Shares

**F** =  $E \times (A+C) / D$  = Equity Proceeds available for members in respect of A and C Shares



**G** = the aggregate Issue Price of all the A shares plus an amount equal to 8% of the Issue Price for each year (or pro-rata for a part-year) the A shares were held, such amount to be compounded quarterly with the Issue Price

**H** = the aggregate Issue Price of all the C shares plus an amount equal to 8% of the Issue Price for each year (or pro-rata for a part-year) the C shares were held, such amount to be compounded quarterly with the Issue Price provided that the aggregate Issue Price of any C Shares that are Leaver Shares of a Bad Leaver shall be adjusted to take into account the lower value of such C Shares as provided in clause 12 5

**I** = lower of 100 and  $F / (G + H) \times 100$  = Equity Proceeds available for members holding A and C Shares expressed as a percentage proportion of the aggregate Issue Price of all of the A and C Shares plus an amount equal to 8% of the Issue Price for each year (or part thereof) the A and C Shares are held compounded quarterly with the Issue Price

**Minimum Value Amount** =  $(G + H) * (D / (A + C))$

**Ratchet Amount** =  $(B / (A + B)) * (C / D)$  multiplied by the Equity Proceeds

## **5 VOTING**

5 1 Subject to Article 12 2(d), the voting rights attaching to each class of Share shall be as follows:

- (a) on a written resolution, every Member holding one or more Shares on the date on which the resolution is circulated shall (save as otherwise provided in the Companies Acts) have one vote for each Share held by him,
- (b) at a general meeting of the Company, every Member holding one or more Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representatives or by proxy shall on a poll have one vote for each Share of which he is the holder

## **6 PROCEEDS OF SALE**

In the event of a Sale which is a sale of Shares then, notwithstanding anything to the contrary in the terms of such Sale (unless all the Members immediately prior to the Sale have agreed in writing to the contrary expressly for the purposes of this provision, whether in the agreements for the Sale or otherwise), the Members shall, immediately prior to such Sale, procure that the purchase consideration whenever received is paid into a designated trustee account and, following the Sale, shall be distributed amongst the selling Members in the manner and order of priority in which the amount of the purchase consideration would have been distributed under Article 4 had a resolution for the winding up of the Company been passed on the date of the Sale and had the amount available for distribution to the Members in such winding up been equal to the amount of such purchase consideration

## **7 ISSUE OF SHARES**

7 1 Subject to Articles 7 2 and 7 4, any new Shares to be issued from time to time shall be offered first to the holders of the Equity Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of the Equity Shares. The offer shall be made by notice specifying the number and class of Shares offered, the price per

Share and a time (not being less than 10 Business Days or greater than 15 Business Days) within which the offer if not accepted will be deemed to be declined. After the expiration of the time for accepting the offer, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the Shares offered or any of them, the Board shall offer the Shares declined in the like manner (save that the minimum period for acceptance may be 5 Business Days and the maximum 10 Business Days) to the other holders of Equity Shares who have agreed to invest in all the Shares offered to them in proportion (as nearly as may be) to number of Equity Shares (of whatever class) held by them. If the Shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.

7.2 If all or any of the Shares to which Article 7.1 applies are not taken up in accordance with the provisions of Article 7.1, the Board may offer such Shares to a third party (to be approved by holders of 75 per cent in nominal value of the Equity Shares such approval not to be unreasonably withheld or delayed) and subject to these Articles and the provisions of sections 549 and 551 of the Companies Act 2006 such Shares shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that

- (a) no Shares shall be issued at a discount,
- (b) no Shares to which Article 7.1 applies shall be issued more than 60 Business Days after the expiry of the period for acceptance to the last offer of such Shares made under Article 7.1 unless the procedure set out in Article 7.1 is repeated in respect of such Shares, and
- (c) no Shares shall be issued at a price less than that at which they were offered to the Members in accordance with Article 7.1 and so that (if the Board are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration for the purposes of this Article 7.2(c) shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of the Members.

7.3 The provisions of Articles 7.1 and 7.2 shall apply *mutatis mutandis* to all equity securities (as defined in section 560(1) of the Companies Act 2006) of the Company from time to time created.

7.4 The provisions of Articles 7.1 and 7.2 shall not apply to the issue of up to 2,685,621 additional C Shares pursuant to clause 3.4 of the Investment Agreement.

7.5 Section 561(1) and sections 562(1) to (5) of the Companies Act 2006 shall not apply to the Company.

## **TRANSFER OF SHARES**

### **8 GENERAL PROVISIONS**

8.1 Notwithstanding any other provision in these Articles, the Board shall refuse to register the transfer of any Shares.

- (a) being Shares which are not fully paid, to a person of whom they do not approve;
- (b) on which the Company has a lien,
- (c) to a person who is (or whom the Board reasonably believes to be) under 18 years of age or a person who does not have (or whom the Board reasonably believes does not have) the legal capacity freely to dispose of any Shares without let, hindrance or court order,
- (d) purported to be made otherwise than in accordance with or as permitted by these Articles,
- (e) unless the proposed transferee has entered into a Deed of Adherence (other than on a Sale),
- (f) to any person who, in the opinion of the Investor Director(s) is carrying on business directly or indirectly in competition with the Company or any Group Company, except this restriction shall not apply to any transfer of Shares pursuant to Articles 13 (Change of Control-Tag Along Rights) and 14 (Change of Control-Drag Along Rights)

8 2 The transferor of any Shares shall remain the holder of the Shares concerned until the name of the transferee is entered into the Register of Members in respect thereof

8 3 For the purpose of these Articles the following shall be deemed (but without limitation) to be a transfer by a Member of Shares

- (a) any direction (by way of renunciation or otherwise) by a Member entitled to an allotment or transfer of Shares that a Share be allotted or issued or transferred to some person other than himself, and
- (b) any sale or any other disposition of any legal or equitable interest in a Share or the granting of any mortgage or charge or any other security interest over any Share and whether or not for consideration or otherwise and whether or not effected by an instrument in writing

8 4 For the purpose of ensuring that

- (a) a transfer of Shares is duly authorised hereunder,
- (b) no circumstances have arisen whereby a Transfer Notice is required to be given hereunder, or
- (c) no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 13;

the Board and/or the Investor Director(s) may from time to time require any Member or the legal personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Board and/or the Investor Director(s) may think fit regarding any matter which they deem relevant to such purpose including (but not limited

to) the names and addresses and interests of all persons respectively having interests in the Shares from time to time registered in the Member's name. Failing such information or evidence being furnished to the satisfaction of the Board and/or the Investor Director(s) within 20 Business Days after request the Board (unless otherwise agreed by the Investor Director(s)) shall refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Board and/or the Investor Director(s) may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned. Any such notice shall be binding upon the Members concerned who shall be bound to give a Transfer Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Board.

- 8.5 A Transfer Notice shall be deemed to be given (if not actually given) at the expiry of five Business Days after the Board has required the same to be given pursuant to Article 8.4 and the provisions of these Articles relating to Transfer Notices shall take effect accordingly.
- 8.6 A Transfer Notice given or deemed to be given pursuant to this Article or Article 12 shall not be capable of revocation (except with the written approval of the Board). Subject as provided to the contrary in this Article or Article 12, the provisions of Article 10 shall apply to any Transfer Notice given or deemed to be given under or pursuant to this Article or Article 12.
- 8.7 In any case where a Member (or his personal representatives) has or have been required to give or has or have been deemed to have given a Transfer Notice pursuant to the provisions of this Article or Article 12 and subsequently becomes the holder of further Shares by virtue of the holding of any Shares comprised in such Transfer Notice (whether by way of rights or bonus issue conversion, transfer or otherwise howsoever) the Board may at any time thereafter determine in its absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Transfer Notice pursuant to this Article or Article 12 (as appropriate) in respect of such further Shares.

## **9 PERMITTED TRANSFERS**

### **9.1 Definitions**

For the purposes of this Article and Articles 10 and 12

- (a) **"family member"** means, in relation to any Member, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren), and
- (b) **"family trust"** means, in relation to a Member, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Member or any of his family members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Member or any of his family members.

### **9.2 Transfers to family members and family trusts**

- (a) Subject to Articles 9 2(b) to 9 2(e), any Member who is an individual may at any time transfer up to forty nine per cent (49 per cent) in aggregate of his Shares to a person shown to the reasonable satisfaction of the Board (with the approval of the Investor Director(s)) to be
  - (i) a family member of his, or
  - (ii) trustees to be held under a family trust for that Member or any of his family members
- (b) Subject to Article 9 2(d), no Shares shall be transferred under Article 9 2(a) by any person who previously acquired those Shares by way of transfer under Article 9 2(a) other than to the original Member
- (c) No transfer of Shares shall be made by a Member under Article 9 2(a) unless
  - (i) in the case of a transfer under Article 9 2(a)(ii), there is Investor Consent indicating satisfaction
    - (A) with the terms of the instrument constituting the relevant family trust and in particular with the powers of the trustees,
    - (B) with the identity of the trustees and the procedures for the appointment and removal of trustees, and
    - (C) that none of the costs incurred in establishing or maintaining the relevant family trust will be payable by any Group Company, and
  - (ii) the aggregate number of Shares held by that Member following that transfer exceeds the aggregate number of Shares held by that Member's family trusts and family members
- (d) Where Shares are held by trustees under a family trust
  - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that family trust whose identity has Investor Consent,
  - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any other family member to whom that settlor could have transferred them under this Article 9 2 if he had remained the holder of them, and
  - (iii) if any of those Shares cease to be held under a family trust for any other reason, the trustees shall give a Transfer Notice within 10 Business Days in respect of all the Shares then held by those trustees
- (e) If
  - (i) any person has acquired Shares as a family member of a Member by way of one or more permitted transfers, and

- (ii) that person ceases to be a family member of that Member,

that person shall forthwith transfer all the Shares then held by that person back to that Member, for such consideration as they agree, within 10 Business Days of the cessation, or, failing such transfer within that period, shall during the remainder of the 15 Business Day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by that person

### 9 3     **Transfer by EBT**

Any Member who is the trustee of an EBT may at any time transfer any Shares which it holds in that capacity to

- (a) the new or remaining trustee(s) of the EBT on any change of trustee(s), and
- (b) any beneficiary of the EBT, with Investor Consent

### 9 4     **Transfers amongst Members**

Any Member holding Shares as a result of a transfer made after the Investment Date by a person in relation to whom such Member was a permitted transferee under the provisions of this Article 9 may at any time transfer any Share to the person who originally transferred such Shares (or to any other permitted transferee of such original transferor)

### 9 5     **Transfers of B Shares**

A Member may transfer B Shares to any person at any time so long as the transferee is not a Competitor

### 9 6     **Transfers with consent**

A Member may transfer Shares to any person at any time with Investor Consent

## 10     **VOLUNTARY TRANSFERS**

### 10 1    **Transfer Notice**

- (a) Any Member who wishes to sell or transfer Shares or any beneficial interest therein (the "**Vendor**") otherwise than by means of a Permitted Transfer and save as provided in Article 12 (Compulsory Transfers) or where Articles 13 (Change of Control – Tag Along Rights) or 14 (Change of Control – Drag Along Rights) apply shall give a written notice (a "**Transfer Notice**") to the Company specifying
  - (i) the number of Shares which he wishes to sell or transfer (the "Sale Shares"),
  - (ii) the name of any third party to whom he proposes to sell or transfer the Sale Shares (if any),
  - (iii) the price per Share at which he wishes to sell or transfer the Sale Shares,

- (iv) any other terms relating to the transfer of the Sale Shares which are not prohibited by these Articles including the date from which dividends on the Sale Shares shall accrue to the purchaser of such Sale Shares, and
  - (v) whether or not it is conditional upon all and not part only of the Sale Shares comprised in the Transfer Notice being sold or offered (a "Total Transfer Condition") and in the absence of such stipulation it shall be deemed not to be so conditional
- (b) Each Transfer Notice shall
  - (i) relate to one class of Shares only,
  - (ii) constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 10,
  - (iii) save as provided in Article 10 3, be irrevocable, and
  - (iv) be deemed not to contain a Total Transfer Condition unless the Transfer Notice expressly states otherwise

#### 10 2 Sale Price

The price per share ("**Sale Price**") at which the Sale Shares shall be offered for purchase in accordance with this Article 10 shall be the price stated in the Transfer Notice

#### 10 3 Revocation of Transfer Notice

A Transfer Notice once given shall not be capable of withdrawal without Investor Consent

#### 10 4 Initial Offer

The following provisions of this Article 10 4 will apply to any transfer of any Sale Shares by any Member

- (a) within 10 Business Days after the last to occur of
  - (i) the receipt by the Company of a Transfer Notice,
  - (ii) the determination of the Sale Price in accordance with Article 11 (if applicable),

(the "**Determination Period**")

the Board (subject to Investor Consent) may direct the Company (in its capacity as agent for the Vendor) immediately to offer at the Sale Price such number of Sale Shares as they may determine to

- (iii) the Company pursuant to the provisions of Parts 17 and 18 of the Companies Act 2006, and/or

- (iv) any person who will hold the Sale Shares for the benefit of existing or future employees, including (without limitation) the trustees of an EBT, to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes employees or directors of any Group Company, and/or
- (v) any current or prospective employee selected by the Board with Investor Consent

(an "**Offer Direction**")

- (b) If any offeree of the Sale Shares pursuant to this Article 10 4 applies for any of them within 10 Business Days after the date of the offer (the "**Acceptance Period**"), the Company will allocate to such offeree the number of Sale Shares applied for (the "**Initial Sale Share Allocation**") on or before the fifth Business Day following the expiry of the Acceptance Period
- (c) If all of the Sale Shares are so allocated, the provisions of Article 10 5 will not apply. If none or some only of the Sale Shares are so allocated, the provisions of Article 10 5 will have effect as if reference to Sale Shares was to those not allocated in accordance with this Article 10 4
- (d) If the Transfer Notice contained a Total Transfer Condition, no allocation of Shares may be made unless all of the Shares are allocated under this Article 10 4 and/or Article 10 5

#### 10 5 **Offer Notice**

- (a) Subject to Article 10 4, not later than 10 Business Days after the first to occur of
  - (i) the expiry of the Determination Period without an Offer Direction being made;
  - (ii) the expiry of the Acceptance Period without any applications having been received for Shares offered pursuant to Article 10 4(b),
  - (iii) the allocation of Shares in accordance with Article 10 4(b), and
  - (iv) in the case of a Transfer Notice given by an Investor, the receipt by the Company of that Transfer Notice,

the Company shall give notice (an "**Offer Notice**") in writing to each of the Members who are on the Register of Members at the close of business on the date that the Transfer Notice is received by the Company (other than the Vendor or any other Member who has served or who is deemed to have served a Transfer Notice which is still outstanding) (a "**Relevant Member**") informing them that the Sale Shares are available and of the Sale Price and shall invite him to state in writing within 10 Business Days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares

- (b) An Offer Notice shall



- (i) specify the Sale Price,
  - (ii) contain the other details included in the Transfer Notice, and
  - (iii) invite the relevant Members to apply in writing, before expiry of the Offer Notice, to purchase Sale Shares
- (c) Sale Shares of a particular class specified in column (1) in the table below shall be treated as offered
- (i) in the first instance to all persons in the category set out in the corresponding line of column (2) in the table below,
  - (ii) to the extent not accepted by persons in column (2), to all persons, if any, in the category set out in the corresponding line in column (3) in the table below, and
  - (iii) to the extent not accepted by persons in column (3), to all persons, if any, in the category set out in the corresponding line in column (4) in the table below

but no Share shall be treated as offered to the Vendor or any other Member who is then bound to give or deemed to have given a Transfer Notice in relation to which the procedures in these Articles have not been completed

<b>(1) Class of Sale Shares</b>	<b>(2) Offered First to</b>	<b>(3) Offered Secondly to</b>	<b>(4) Offered Thirdly to</b>
A Shares	Members holding A Shares	Members holding C Shares	Members holding B Shares
B Shares	Members holding A Shares	N/A	N/A
C Shares	Members holding C Shares	Members holding A Shares (pari passu)	Members holding B Shares
D Shares	Members holding D Shares	Members holding A Shares and C Shares (pari passu)	Members holding B Shares

- (d) After the expiry date of the Offer Notice, the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in Article 10 5(c) allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles, save that
- (i) if there are applications from any class of Members for more than the total number of Sale Shares available for that class of Members, they shall be allocated to those applicants in proportion (as nearly as

possible but without allocating to any Member more Sale Shares than the maximum number applied for by him) to the number of Shares of the relevant class then held by them respectively,

- (ii) if it is not possible to allocate Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applicants of the relevant class in such manner as the Board thinks fit,
- (iii) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated

#### 10 6 Transfer of Sale Shares

- (a) The Board shall, within 3 Business Days after (in the case of Article 10 4) the Initial Sale Shares Allocation or (in the case of Article 10 5) the expiry date of the Offer Notice, give notice in writing (a "**Sale Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase
- (b) Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 5 Business Days nor more than 10 Business Days after (in the case of clause 10 4) the Initial Sale Shares Allocation or (in the case of clause 10 5) the expiry date of the Offer Notice, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser
- (c) The Vendor may, during the period falling between 5 Business Days and 10 Business Days (between 5 Business Days and 120 days in the case of Sale Shares of an Investor) after (in the case of clause 10 4) the Initial Sale Shares Allocation or (in the case of clause 10 5) the expiry date of the Offer Notice, sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee and otherwise on terms that are no more favourable than those set out in the Transfer Notice, provided that
  - (i) the Board shall refuse registration of the proposed transferee if he falls within a category to whom transfers are not permitted under Article 9,
  - (ii) if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this Article 10, save with Investor Consent
- (d) If a Vendor fails to transfer any Sale Shares when required pursuant to a Sale Notice under this Article 10, the Board may authorise any person (who shall

be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the Sale Shares from the Purchaser and shall, upon receipt of the duly stamped transfer, register the Purchaser as the holder of those Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the Purchaser (who shall not be concerned to see to the application of it). After the name of the Purchaser has been entered in the Register of Members in purported exercise of the power conferred by this Article 10, the validity of that exercise shall not be questioned by any person.

## **11 MARKET VALUE**

11.1 In the event that it is necessary to establish the Market Value of Equity Shares, the following provisions shall apply:

- (a) The Market Value shall be determined on the application of the Board (with Investor Consent) by the Valuers acting as experts and not as arbitrators and their determination shall be final and binding. The costs of the Valuers shall be payable by the Company unless the Board (with Investor Consent) has offered a price for the Shares which has not been accepted by the Vendor and the Market Value is determined to be equal to or less than that price, in which case, the costs of the Valuers shall be borne by the Vendor.
- (b) The Market Value shall be determined by the Valuers first valuing the share capital of the Company as a whole:
  - (i) assuming, if the Company is then carrying on business as a going concern, that it will continue to do so,
  - (ii) assuming that the entire issued share capital of the Company is being sold as between willing buyer and willing seller by arm's length private treaty for cash payable in full on completion,
  - (iii) taking account of the amounts outstanding under the Banking Agreements and Loan Notes and any other indebtedness of the Group, and
  - (iv) taking account of any bona fide offer for the Company received from an unconnected third party within six months of the Transfer Notice being served or deemed to have been served.
- (c) Having valued the share capital of the Company as a whole, the Valuers shall determine the Market Value of the Shares concerned:
  - (i) taking into account the order and manner of distribution of proceeds applicable to the relevant class of Shares set out in Article 4.1,
  - (ii) taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding, and

- (iii) without having regard to whether the Shares constitute a majority or minority or to the fact that their transferability is restricted by these Articles

## **12 COMPULSORY TRANSFERS**

12 1 The provisions of this Article shall apply to any Leaver and any Leaver's Shares

12 2 Upon a person becoming a Leaver

- (a) unless the Board (with Investor Consent) otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Shares shall immediately be cancelled (unless all the Shares subject to it have already been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of the Leaver's Shares (except under Article 12 2(b) below), and
- (b) unless the Board (with Investor Consent) otherwise resolves, the Leaver shall be deemed to issue a Transfer Notice in respect of all the Leaver's Shares on the date on the earlier of
  - (i) the date following the Leaving Date specified by an Investor Director in writing to the Company and the Leaver, and
  - (ii) the anniversary of the Leaving Date,
  - (iii) in which case the provisions of Article 10 will apply save as provided in this Article,
- (c) the right to receive offers pursuant to Articles 7 and 10 shall be suspended, and
- (d) unless the Board (with Investor Consent) shall have passed a resolution referred to in Article 12 2(b) above, none of the relevant Leaver's Shares shall, until transferred in accordance with this Article 12, entitle the transferor of such Shares to vote on written resolutions of the Company or receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of Shares of the same class and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution of any Members or class of Members provided that all Shares so disenfranchised shall on a transfer in accordance with this Article be re-enfranchised

12 3 In respect of a deemed Transfer Notice under Article 12 2(b) above, Sale Price for the Leaver's Shares shall be determined as follows

- (a) if the Leaver is a Good Leaver, the Sale Price shall be the higher of the Issue Price and Market Value,
- (b) save as set out in Article 12 3(c) below, if the Leaver is a Bad Leaver, the Sale Price shall be lower of the Issue Price and Market Value; and

- (c) if the Leaver is a Bad Leaver and a holder of A Shares or C Shares (but only if such Leaver is Grant Russell and/or Anthony Croall), the Sale Price shall be the Market Value thereof, discounted by the length of time the Leaver has been a Member as set out in the table below in respect of the Shares of each class held set out in column 2 in the table below,

(1)  Time elapsed since the Leaver first became a Member	(2)  Discount applied to Market Value for the Shares (as a percentage of the total number of Leavers Shares of each class held)
2 years or less	100%
More than 24 months, up to 48 months	50%
More than 48 months	25%

The Market Value shall be calculated as at the Leaving Date. In any particular case, the Board (with Investor Consent) may agree with the transferor some other price other than the Market Value, and

- (i) in respect of any Bad Leaver who is a holder of A Shares or C Shares (but only if such Leaver is Anthony Croall) the discount applied to the Market Value of the Shares as set out in column 2 of the table above shall not be applied to the Issue Price for such A Shares or C Shares (but only if such Leaver is Anthony Croall) nor the amount accrued on such A Shares pursuant to Article 4 1(b)(i), and
- (ii) the provisions of Article 12 3(b) and the foregoing paragraph (i) of this Article shall not apply to any C Shares belonging to Grant Russell, and
- (iii) the provisions of this Article 12 3(c) shall not be amended in relation to any C Shares or removed from these Articles (as amended from time to time) save for with the prior written consent of all the holders of the C Shares, or in the case of a bona fide reorganisation of the Company (which, for the avoidance of doubt, shall not be subject to the consent of the holders of the C Shares)

12 4 In the event that any Leaver Shares that are A Shares are not transferred pursuant to these Articles and are retained by the Leaver, the value attributed to them under Article 4 1(b) shall cease to accrue as from the Leaving Date for the purposes of calculating the distribution of proceeds to that Leaver under Article 4 1

12 5 In the event that any Leaver Shares that are valued on a Bad Leaver basis and are not transferred pursuant to the Articles and retained by the Leaver, the value to be paid to such Leaver on an Exit Event shall be the lower of the value determined at Article 12 3 and the value of such Leaver Shares on an Exit Event

12 6 In this Article

- (a) a **"Good Leaver"** is a Leaver where
  - (i) they are a Leaver by reason of death, permanent incapacity or ill health, or
  - (ii) retirement at the age of 65 or older, or
  - (iii) the Leaver ceasing employment in circumstances adjudged by a competent court or tribunal as being wrongful dismissal, or
  - (iv) the Board (with Investor Consent) resolves that such person is to be categorised as a Good Leaver,
- (b) a **"Bad Leaver"** is a Leaver who is not classified as a Good Leaver,

13 **CHANGE OF CONTROL – TAG ALONG RIGHTS**

13 1 With the exception of transfers of Shares pursuant to Article 9 (Permitted Transfers), no transfer of Shares which would result in a Tag Along Transfer will be made or registered unless

- (a) an Approved Offer is made by the proposed transferee(s) ("Buyer"), and
- (b) the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it

13 2 For the purposes of this Article 13 and Article 14

- (a) **"Approved Offer"** means an offer in writing served on all Members holding Equity Shares (including the proposing transferor), offering to purchase all the Equity Shares held by such Members (including any Equity Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Equity Shares in existence at the date of such offer) which
  - (i) is stipulated to be open for acceptance for at least 15 Business Days,
  - (ii) offers the same or equivalent consideration for each Equity Share (whether in cash, securities or otherwise in any combination),
  - (iii) includes an undertaking by or on behalf of the Buyer that no other consideration, (whether in cash or otherwise) is to be received or receivable by any Member which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Equity Shares to be sold by such Member, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Equity Shares,

- (iv) except with Investor Consent, provides that the consideration for the B Shares is in cash or marketable securities,
- (v) does not require any holder of B Shares to (x) give any representations or warranties other than as to title to such B Shares and capacity to sell, (y) provide any indemnities other than in respect of its representations and warranties, or (z) or to agree to any non-compete or non-solicitation provisions, and
- (vi) is on terms that the sale and purchase of Shares in respect of which the offer is accepted will be completed at the same time

#### **14 CHANGE OF CONTROL – DRAG ALONG RIGHTS**

- 14 1 Whenever an Approved Offer is made, the holders of 50 1 per cent or more of the Equity Shares shall have the right ("Drag Along Right") to require (in the manner set out in Article 14 2) all of the other holders of Equity Shares ("Other Shareholders") to accept the Approved Offer in full
- 14 2 The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders at the same time as, or within 5 Business Days following the making of the Approved Offer. Such notice will be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer
- 14 3 On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Approved Offer in respect of its entire holding of Equity Shares and to comply with the obligations assumed by virtue of such acceptance
- 14 4 If any of the Other Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its Equity Shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any holder of A Shares or any persons so authorised by the Board with the consent of the Investor Director(s) may accept the offer on behalf of the Other Shareholders in question, or undertake any action required under the terms of the Approved Offer on the part of the Other Shareholders in question. In particular, such person may execute the necessary transfer(s) on that Other Shareholder's behalf, and against
  - (a) receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it), and
  - (b) compliance by the Buyer and, where relevant, the Company with all other terms of the Approved Offer,

deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Shares so transferred. After registration, the title to the Buyer (or its nominee) as registered holder of such Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Other Shareholder will in such a case be bound to deliver up its certificate for its Shares to the Company, or

a statutory declaration of loss (as appropriate) whereupon the Other Shareholder will be entitled to receive the purchase price for such Shares

## **GENERAL PROVISIONS**

### **15 GENERAL MEETINGS**

- 15 1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. One person, being a Member present in person or by proxy or a duly authorised representative of a corporation shall be a quorum at any general meeting. If no such quorum is so present then the meeting shall stand adjourned for a period of not less than 5 Business Days to such time and place as the Board shall agree and notify to the Members. If no such Member is so present at the adjourned meeting then subject to the foregoing provisions of this Article the Members then present in person or by proxy or by duly authorised representatives shall constitute a quorum.
- 15 2 With respect to any resolution in writing, in the case of a corporation which holds any Shares, the signature of any director or the company secretary thereof shall be deemed to be a signature of the corporation which holds Shares.
- 15 3 The instrument appointing the proxy shall be effective if such appointment is brought to the attention of the chairman of the meeting at any time prior to the taking of any vote (whether on a show of hands or on a poll) (including after the commencement of the meeting).
- 15 4 The chairman shall not be entitled to exercise any second or casting vote.
- 15 5 A Director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the capital of the Company.

### **16 NUMBER OF DIRECTORS**

The minimum number of directors (in addition to any Investor Director(s)) shall be one. The number of Directors shall not be subject to any maximum.

### **17 ALTERNATE DIRECTORS**

- 17 1 Any Director may appoint as an alternate any other director, or
- (a) in the case of an Investor Director, any other person, and
  - (b) in the case of any Director other than the Investor Director, any other person approved by resolution of the directors;
- to exercise that Directors powers and carry out that directors responsibilities in relation to the taking of decisions by the directors in the absence of the alternates' appointor
- 17 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor and must identify the proposed alternate and,



in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice

17 3 An alternate director has the same rights in relation to any directors' meeting or directors' written resolutions as the alternate's appointor

17 4 An alternate director's appointment as an alternate terminates

(a) when the alternate's appointor revokes the appointment by written notice to the Company on the date specified in that notice,

(b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

(c) On the death of the alternate's appointor, or

(d) Where the alternate's appointor's appointment as a director terminates

17 5 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum

17 6 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present

## **18 PROCEEDINGS OF DIRECTORS**

18 1 The quorum for the transaction of business of the Board shall be two Directors, one of whom shall be an Investor Director provided that one is appointed unless the Investor Director(s) has/have previously agreed otherwise in writing expressly for that purpose

18.2 Any Director or his alternate may validly participate in a meeting of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting then is

18 3 Save with Investor Consent

(a) the Board shall not delegate any of its powers to a committee, and

(b) meetings of the Board shall not be held outside the United Kingdom

18 4 The Chairman shall not have a second or casting vote at a meeting of the Board

## 19 DIRECTOR'S INTERESTS

### Directors' conflicts of interest – Board approval for Situational Conflicts

- 19 1 If a situation arises or exists in which a Director has or could have a Situational Conflict, without prejudice to the provisions of Articles 19 3 to 19 8, the Director concerned, or any other Director, may propose to the Board that such Situational Conflicts be authorised in accordance with Article 19 2, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the Board, in each case setting out particulars of the Situational Conflict in question. Subject to the Companies Acts, the Directors may authorise such Situational Conflict and the continuing performance by the relevant Director of his duties as a Director of the Company on such terms as they may think fit.
- 19 2 If Article 19 1 applies the relevant Director shall not continue in the quorum at the relevant meeting of the Directors to authorise such Situational Conflict nor be entitled to vote on the resolution authorising it. If the relevant Director is the sole Investor Director, for the purposes of any part of the meeting of the Directors at which a resolution authorising the relevant Situational Conflict pursuant to section 175(4)(b) of the Companies Act 2006 is to be considered, the quorum requirement for such part of the meeting shall be any two Directors, neither of whom have any interest for such Investor Director to be present during such part of the meeting for the quorum requirement to be met.

### Directors' Situational Conflicts – pre-approval for all Directors

- 19 3 Subject to compliance by him with his duties as a Director under Part X of the Companies Act 2006 (other than the duty in section 175(1) of that Act which is the subject of this Article 19 3), a Director (including the chairman of the Company (if any) and any other non-executive Director) may, at any time
- (a) be an officer of, employed by or hold Shares or other securities (whether direct or indirectly) in, the Company, or
  - (b) be a director or other officer of, employed by or hold shares or other securities (whether directly or indirectly) in, or otherwise interested, whether directly or indirectly, in any other Group Company,
  - (c) (in either case a "**Group Company Interest**") and notwithstanding his office or the existence of an actual or potential conflict between any Group Company Interest and the interests of the Company which would fall within the ambit of that section 175(1), the relevant Director,
  - (d) shall be entitled to attend any meeting or part of a meeting of the Directors or a committee of the Directors at which any matter which may be relevant to the Group Company Interest may be discussed and to vote on any resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Director at the same time as the other Directors (save that a Director may not vote on any resolution in respect of matters relating to his employment with the Company or other Group Company),

- (e) shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of any Group Company Interest, and
- (f) shall not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him by virtue of his Group Company Interest and otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to any other Group Company or third party

#### **Directors' Situational Conflicts – pre-approval for Investor Directors**

19 4 Subject to compliance by him with his duties as a Director under Part X of the Companies Act 2006 (other than the duty in section 175(1) of that Act to the extent that it is the subject of this Article 19 4), an Investor Director may be a director or other officer of, employed by or hold shares or other securities in, or otherwise be interested, whether directly or indirectly, in

- (a) any Investor, Investor Associate or other entity which, directly or indirectly, holds Shares in the Company (a "**Relevant Investor**") and as such the Investor Director may, on behalf of the Investor, give or withhold any consent or give any direction required of any Investor or Investors pursuant to the terms of any subscription, investment or shareholder's agreement relating to the Company or any similar agreement or document ancillary to such an agreement, or
- (b) any other company in which the Relevant Investor also holds shares or other securities or is otherwise interested, whether directly or indirectly,
- (c) (in either case an "**Investor Director Interest**"), and notwithstanding his office or the existence of an actual or potential conflict between any Investor Director Interest and the interests of the Company which would fall within the ambit of section 175(1) of the Companies Act 2006, the relevant Investor Director
- (d) shall be entitled to attend any meeting or part of a meeting of the Directors or a committee or the Directors at which any matter which may be relevant to the Investor Director Interest may be discussed and to vote on a resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Investor Director at the same time as other Directors,
- (e) shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of any Investor Director Interest,
- (f) shall be entitled to consult freely about the Group and its affairs with, and to disclose, for investment appraisal purposes, Confidential Information to any Investor, Investor Associate or proposed investor in the Group or any other person on whose behalf it is investing in the Group and to the Group's auditors, lenders and proposed lenders (or with and to any of its or their professional advisers),

- (g) for the purposes of facilitating an Exit Event, shall be entitled to disclose any Confidential Information to any proposed purchaser, underwriter, sponsor or broker, subject to the relevant Investor Director using all reasonable endeavours to procure that any such recipient is made aware that it is Confidential Information and agrees to treat it accordingly, and
- (h) shall not be obliged to disclosure to the Company or use for the benefit of the Company any other confidential information received by him by virtue of his Investor Director Interest and otherwise by virtue of his position as a Director

19 5 For the purposes of Article 19 4, the expression "**Confidential Information**" shall mean all information (whether oral or recorded in any medium) relating to the Group Company's business, financial or other affairs (including future plans of any Group Company) which is treated by a Group Company as confidential (or is marked or is by its nature confidential)

#### **Directors' Situational Conflicts – disclosure of interests**

19 6 Without prejudice to Articles 19 3 and 19 4, any Director who has a Group Company Interest and any Investor Director who has an Investor Director Interest shall, as soon as reasonable practicable following the relevant interest ("**Interest**") arising, disclose to the Board the existence of such Interest and the nature and extent of such Interest so far as the relevant Investor Director or other Director is able at the time the disclosure is made, provided that no such disclosure is required to be made of any matter in respect of which the relevant Investor Director or other Director owes any duty of confidentiality to any third party. A disclosure made to the Board under this Article 19 6 may be made either at a meeting of the Board or by notice in writing to the Company marked for the attention of the Directors

#### **Directors' Situational Conflicts – shareholder approval**

19 7 Notwithstanding the provisions of Articles 19 1, 19 3 and 19.4, the holders of a majority of the issued A Shares from time to time may, at any time, by notice in writing to the Company, authorise, on such terms as they shall think fit ad shall specify in the notice

- (a) any Situational Conflict which has been notified to the Board by any Director under Article 19 1,
- (b) any Situational Conflict which has been notified to the Board by the chairman of the Company (if any) under Article 19 1 and which arises by virtue of his appointment or proposed appointment as a director or other officer of, and/or his holding of shares or other securities (whether directly or indirectly) in, any company other than a Group Company (a "**Chairman's Interest**"), or
- (c) any Group Company Interest or Investor Director Interest which has been disclosed to the Board under Article 19 6,
- (d) (whether or not the matter has already been considered under, or deemed to fall within, Article 19 1, 19 3 and 19 4, as the case may be)

19 8 No contract entered into shall be liable to be avoided by virtue of

- (a) any Director having an interest of the type referred to in Article 19 1 where the relevant Situational Conflict has been approved as provided by that Article or which is authorised pursuant to Article 19 7,
- (b) the chairman of the Company (if any) having a Chairman's Interest which has been approved by the Board under Article 19 1 or which is authorised pursuant to Article 19 7,
- (c) any Director having a Group Company Interest which falls within Article 19 3 or which is authorised pursuant to Article 19 7, or
- (d) any Investor Director having an Investor Director Interest which falls within Article 19 4 or which is authorised pursuant to Article 19 7

#### **Directors' conflicts of interest – Transactional Conflicts**

19 9 The provisions of Articles 19 1 to 19 8 shall not apply to Transactional Conflicts but the following provisions of this Article 19 9 and Articles 19 10 to 19 12 shall so apply Any Director may be interested in an existing or proposed transaction or arrangement with the Company, provided that he complies with the Companies Act 2006 and (if applicable) Articles 19 10 and 19 11

19 10 Subject to the provisions of the Companies Act 2006, and provided that he has disclosed to the Directors the nature and extent of any material interest of his pursuant to Article 19 11, a Director, notwithstanding his office

- (a) may be party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

19 11 For the purposes of Article 19 10

- (a) a general note given to the Directors that a Director is to be regarded as having an interest in the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

- 19 12 Without prejudice to the obligation of each Director to declare an interest in accordance with the Companies Act 2006, a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company or in relation to which he has a duty. Having so declared any such interest or duty he may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted.

## **20 OBSERVER**

Until such time as the B Shares have been redeemed in full and so long as the holders of the B Loan Notes and/or the C Loan Notes have not designated an observer, the Investors holding a majority of the B Shares by written notice to the Company may appoint one person as an observer to the boards of directors of the Company and its subsidiaries (the "**B Share Observer**") to receive all notices of, and attend all, meetings of the board of directors of the Company and its Subsidiaries who may in a similar manner remove from such position any B Share Observer appointed pursuant to this paragraph, and appoint any person in place of any B Share Observer so removed or who had died or otherwise vacated his or her position as such, the B Share Observer will be entitled, at the election of the holders of a majority of the B Shares, to receive all notices of, and attend all, meetings of the board of directors of any other member of the Group and/or of any committee of the board of directors of any member of the Group. The B Share Observer shall be given (at the same time as the Directors) notice of all meetings of the directors and all agendas, minutes and other papers relating to such meetings. The B Share Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that the B Share Observer shall not be entitled in any circumstances to vote and shall not be treated as a Director for any purpose. Promptly upon receipt of an invoice therefor, the Company shall reimburse the B Share Observer for the reasonable out-of-pocket costs and expenses of attending any meeting.

## **21 DIVIDENDS**

The Company shall take all lawful steps to procure that each other Group Company which has profits available for distribution shall from time to time declare and pay such dividends as are necessary to permit lawful and prompt payment by the Company of all the dividends on the Equity Shares in accordance with these Articles. Such steps shall include (without limitation) the preparation of interim or initial accounts (complying with sections 838 and 839 of the Companies Act 2006) of each other Group Company by reference to which profits available for distribution might fall to be calculated and procuring that, where necessary, such initial or interim accounts are reported on by the relevant company's auditors and are filed with the Registrar of Companies.

## **22 NOTICES**

- 22 1 Any notices to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 22 2 Any notice to be given pursuant to these Articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.

- 22.3 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left

## 23 INDEMNITY

- 23 1 Subject to article 23 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 23 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

- 23 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

- 23 3 In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## 24 INSURANCE

- 24 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

- 24 2 In this article

- (a) a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006), but excluding in each case

any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

## 25 REDEMPTION

- 25 1 At any time on or after a Cash Right Event a holder of B Shares (herein a "Cash Right Holder") may by written notice to the Company (a "Cash Right Cash Right Exercise Notice") elect to be paid by the Company in cash the Cash Price (a "Cash Right") in respect of its B Shares subject to the provisions of the Companies Acts. A Cash Right Holder may exercise some or all of its Cash Rights in relation to the B Shares held by such holder. The Cash Price payable by the Company to each Cash Right Holder for each B Share held by such Cash Right Holder shall be calculated in accordance with Article 26
- 25 2 The Company shall not, and shall procure that no other Group Company shall, enter into any agreement or take (or omit to take) any other action, which would prevent, restrict or hinder in any way the payment of the Cash Price by the Company to the relevant Cash Right Holder in respect of each B Share, or which would prevent, restrict or hinder the declaration, making or payment of any dividend or any other distribution from a Group Company (other than the Company) to the Company
- 25 3 The directors of the Company shall use all reasonable endeavours to procure that the purchase of all of the B Shares by the Company shall be completed in accordance with the provisions set out in the Companies Acts on or before the twentieth Business Day following the agreement or determination (as the case may be) of the Cash Price. Completion shall take place at the registered office of the Company where the Cash Right Holders shall deliver duly executed instruments of transfer in respect of all of the B Shares in favour of the Company together with the certificates for the B Shares (or an indemnity in lieu thereof in a form reasonably satisfactory to the Company) and the Company shall pay the Cash Price for the B Shares by same day wire transfer to such bank account as the Cash Right Holders shall have notified to the Company in writing for such purpose
- 25 4 In addition and without prejudice to any other Cash Right Holder rights under this Article 25 in the event that the Company fails to purchase all of the B Shares within the time specified in Article 25 3 for each six month period during which the Company remains in default of such payment obligation, the Cash Right Holders shall have the right in their absolute discretion, to elect to (a) to require the Company to be re-valued in accordance with the terms of Article 25 1, and such right shall continue until all of the B Shares are purchased in accordance with the terms hereof and/or (b) in consideration for the cancellation of the unpurchased B Shares (as applicable) as a consequence of a Cash Right Event, be paid by the Company a fee equal to the higher of (i) the value of their B Shares (as applicable) before being revalued or at



the date of the last revaluation (whichever is the higher) plus interest at a rate of 8% per annum calculated daily from the date specified in Article 25 3 until the date of payment and (ii) the Cash Price calculated in accordance with Article 26 1 plus interest at a rate of 8% per annum calculated daily from the date specified in Article 25 3 until the date of payment (the "Cancellation Fee")

## **26 CASH PRICE CALCULATION**

- 26 1 If a Cash Right Holder exercises any of its Cash Rights at any time after one or more Cash Right Events the Cash Price per B Share shall be calculated as follows

### **Part 1: Cash Price in respect Cash Right Event**

- 26 2 If a Cash Right Holder exercises any of its Cash Rights following an event which falls within any paragraph of the definition of "Cash Right Event", the Cash Price per B Share payable by the Company to that Cash Right Holder (or its nominee) in respect of the Cash Rights specified in the Cash Right Exercise Notice shall be equal to the greater of (i) the Fair Market Value of a B Share and (ii)

$(A/B \times (C-D))$  divided by A

Where

- A is equal to the aggregate number of B Shares outstanding
- B is equal to the aggregate number of Equity Shares which are in issue at the time of the Cash Right Exercise Notice
- C is a sum equal to the amount equal to (x) 7 times the aggregate consolidated EBITDA of the Group (excluding exceptional or non-recurring items) determined on a consolidated basis for the 12 month period ("**EBITDA Period**") ended on or immediately prior to delivery of the Cash Right Exercise Notice, as derived from the latest consolidated management accounts of the Group for such period plus (y) Cash plus (z) any Working Capital Surplus, and
- D is the sum equal to (x) aggregate Borrowings plus (y) any Working Capital Deficit

### **Part 2. Accounting Principles and Dispute Resolution**

- 26 3 In calculating the Cash Price, and in particular Cash and Working Capital, the Company and each exercising Cash Right Holder shall apply accounting policies and practices in a manner consistent with those applied by the Company when calculating such items
- 26 4 In the event that the exercising Cash Right Holder and the Company are unable to agree the Cash Price per Share payable pursuant to Article 26 1 within 30 days of the issue, by the Cash Right Holder of the Cash Right Exercise Notice, then either party may refer the matter to the Independent Financial Expert for determination
- 26 5 The Independent Financial Expert shall
- (a) act as an expert and not as an arbitrator,

- (b) be entitled to request from (i) the exercising Cash Right Holder and (ii) the Company, and (i) the exercising Cash Right Holder and (ii) the Company shall provide to the Independent Financial Expert, all additional information reasonably requested by the Independent Financial Expert in order to make the Cash Price determination,
  - (c) determine on the basis of all information, documents and materials before them, the Cash Price per B Share, and
  - (d) notify the Company and the exercising Cash Right Holder of their determination in writing (without reasons) as soon as practicable
- 26 6 If the Cash Price per B Share determined by the Independent Financial Expert is 5 per cent or more than the Cash Price per B Share proposed by the Company, all of the Independent Financial Expert's fees and expenses (including any fees and expenses of any professional advisers appointed by it) shall be borne by the Company. Otherwise, the Independent Financial Expert's fees and expenses (including any fees and expenses of any professional advisers appointed by it) shall be borne by the exercising Cash Right Holder. If there is more than one exercising Cash Right Holder, the costs attributable to the exercising Cash Right Holder shall be borne by such Cash Right Holder pro rata to their holdings of B Shares.
- 26 7 The Independent Financial Expert's determination shall be binding on the Company and on the exercising Cash Right Holder except where there is fraud or manifest error.
- 26 8 The Company covenants for the benefit of each of the holders of B Shares that until such time as the B Shares have been redeemed in full the Company shall send to each Noteholder
- (i) a copy of its annual report and the audited consolidated accounts for the Group together with all documents required by law to be annexed to that report concurrently with the issue thereof to the Noteholders and in any event within 150 days after the end of each fiscal year,
  - (ii) the consolidated monthly management accounts of the Group for each month not less than 45 days from the end of March, June, September and December and 30 days from the end of each other month,
  - (iii) a statement by certain of the Company's management commenting on the performance of the Group for the month to which the financial statements relate and the financial year of the Company to date and any material developments or proposals affecting the Group or its business, to accompany each set of monthly management accounts,
  - (iv) at the same time as they are dispatched, copies of all documents dispatched by Company or the Parent to its shareholders generally (or any class of them), and
  - (v) as soon as the same become available but in any event within 30 days after the start of each of its financial years, an annual budget for that fiscal year and, if the Company updates or changes the budget for any fiscal year, it shall promptly deliver to the Noteholders such

updated or changed budget together with a written explanation of the main changes in that budget

26 9 For the purposes of this Article 26 in addition to the definitions and interpretations set out in these Articles, the following definitions shall apply

**"Acquisition Costs"** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Company or any other member of the Group in connection with the acquisition of Camira Group Ltd and the transactions related thereto

**"Borrowings"** means the aggregate amount (expressed as a positive number) of all borrowings and indebtedness in the nature of borrowings of the Company and each other Group Member as at close of business on the date of the relevant Cash Right Exercise Notice as stated in the latest set of management accounts, including, without duplication

- (a) loans and bank overdrafts,
- (b) liabilities under acceptances of trade bills and acceptance credits (other than acceptances of trade bills in respect of purchases in the ordinary course of business),
- (c) liabilities under any bond, note, loan stock, debenture, preference share or other similar agreement or security,
- (d) liabilities under finance or equivalent leases, hire purchase agreements and conditional sale agreements,
- (e) liabilities under factoring arrangements,
- (f) amounts raised by other transactions having the commercial effect of borrowing,
- (g) any deferred consideration outstanding,
- (h) any actual liability under (i) any guarantee of, or indemnity against financial loss in respect of, the obligation of another person, or (ii) any counter indemnity given to a third party in relation to any letter of credit, bond or guarantee given by such third party in relation to the obligations and/or liability of the Group Member,
- (i) accrued interest, charges and costs relating to any of the above items (including those relating to early repayment, discharge or termination) through but excluding the date of the Cash Right Exercise Notice,
- (j) any corporation tax or other tax liabilities relating to any period prior to the date of the Cash Right Exercise Notice, and
- (k) any other debt or liability analogous to any of the above items

For the avoidance of doubt, for the purposes of the calculation of the Cash Price as set out in Article 26 (Cash Price Calculation) such term shall exclude all intra-Group arrangements,

**"Cash"** means the aggregate of the cash held by or on behalf of the Group as at close of business on the date of the Cash Right Exercise Notice (including cash at bank and in hand) derived from the books and records of the Group together with interest accrued on such items),

**"EBITDA"** means, in respect of any period, the sum of (i) the Group's pro rata share (based on its percentage ownership of Park Valley Dyers Limited) of PVD EBITDA for such period plus (ii) the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations)

- (a) before deducting any Finance Charges in respect of that period,
- (b) not including any accrued interest owing to any member of the Group,
- (c) not including any unrealised gains or losses relating to financial instruments,
- (d) before deducting any amount attributable to the amortisation or depreciation of assets of members of the Group,
- (e) before deducting any Acquisition Costs, and
- (f) without taking into account any amount attributable to the Group's investment in any Non-Group Entity,

**"Finance Charges"** means, for any period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of financial indebtedness whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that period

- (a) including any upfront fees or costs which are included as part of the effective interest rate adjustments,
- (b) including any non-usage fee payable pursuant to any revolving credit facility),
- (c) including the interest (but not the capital) element of payments in respect of finance leases, and
- (d) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging arrangement,

excluding Acquisition Costs but together with the amount of any cash dividends or distributions paid or made by the Company in respect of that period and so that no amount shall be added (or deducted) more than once,

**"Independent Financial Expert"** means an independent financial expert (acting as an expert not as an arbitrator) as agreed by the Company and the Investors or if no such agreement is made within 14 days, as appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales,

**"Non-Group Entity"** means any investment or entity (which is not itself a member of the Group (including associates and joint ventures)) in which any member of the Group has an ownership interest,

**"Normalised Working Capital"** means the average amount of the Working Capital as at the end of each month end reporting period of the Company in the EBITDA Period to the date of the Cash Right Exercise Notice as derived from the consolidated management accounts of the Group,

**"PVD EBITDA"** means, in respect of any period, the operating profit of Park Valley Dyers Limited before taxation and before deducting any amount attributable to the amortisation or depreciation of assets and which is otherwise calculated on a basis similar to EBITDA,

**"Working Capital"** means

- (a) current assets (including stock, trade debtors (net of provisions for bad and doubtful debts), prepayments, accrued income and other debtors) of the Group other than Cash, less
- (b) current liabilities (including trade creditors, customer prepayments, other creditors, accruals and trading provisions but excluding exceptional non-trading items) of the Group other than Borrowings,

in each case excluding or adjusting for (as appropriate) amounts which are considered anomalous, exceptional or otherwise not representative of the normal working capital arrangements of the Group,

**"Working Capital Deficit"** means the amount (if any) by which the Working Capital as at the date of the Cash Right Exercise Notice, as derived from the Group's consolidated management accounts, is less than the Normalised Working Capital, and

**"Working Capital Surplus"** means the amount (if any) by which the Working Capital as at the date of the Cash Right Exercise Notice, as derived from the Company's consolidated management accounts, is greater than the Normalised Working Capital