

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES ARTICLES

OF ASSOCIATION

OF

BEARDSSELL & SONS LIMITED (11630211)

Adopted by special resolution on 31 March 2023

Introduction

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

Act: means the Companies Act 2006.

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

A Shares: the A Ordinary shares of £0.01 each in the capital of the Company.

appointor: has the meaning given in Article 11.1.

Articles: means the company's Articles of association for the time being in force.

B Shares: the B Ordinary shares of £0.01 each in the capital of the Company.

Business Day: means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Board: the board of directors of the Company from time to time.

eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

Model Articles: means 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.

Permitted Transferee: in relation to a Shareholder, a spouse or civil partner (as defined in the Civil Partnerships Act 2004).

Shareholder: a holder of any Share or Shares as at the date of adoption of these Articles, and any person to whom shares are allotted at any time after the date of adoption of these Articles.

Shares: shares (of any class) in the capital of the Company and Share: shall be construed accordingly.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "Article" is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 34, 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 the insertion of the words "for the time being" at the end of Article 7(2)(a); and
 - 1.11.2 the insertion in Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2) of the Model Articles," after the words "the transmittee's name".

- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

Directors

2. UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

3. CALLING A DIRECTORS' MEETING

- 3.1 Any director may call a directors' meeting by giving not less than 14 clear days' notice of the meeting (or such lesser notice as all the Shareholders may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 The directors shall hold a meeting at least every two months.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to Article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 4.2.1 to appoint further directors; or
 - 4.2.2 to call a general meeting so as to enable the shareholders to appoint further directors.

5. CHAIRPERSON AND CASTING VOTE

- 5.1 At directors' meetings, each director shall have one vote, subject to article 5.3.
- 5.2 Nicholas Perrin shall be appointed chairperson at all meetings of directors.
- 5.3 Martyn Beardsell shall have casting vote at all meetings of directors.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
- 6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
- 6.1.4 may act by themselves or their firm in a professional capacity for the company (otherwise than as auditor) and their firm shall be entitled to remuneration for professional services as if they were not a director;
- 6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 6.1.6 shall not, save as they may otherwise agree, be accountable to the company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

7. DIRECTORS' CONFLICTS OF INTEREST

The directors may authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his or her duty under section 175 of the Act to avoid conflicts of interest on such terms as they see fit.

8. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

10. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

11.1.1 exercise that director's powers; and

11.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

11.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

11.3 The notice must:

11.3.1 identify the proposed alternate; and

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

11.4 An alternate director's appointment as an alternate terminates:

11.4.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

11.4.2 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;

11.4.3 on the death of the alternate's appointor; or

11.4.4 when the alternate's appointor's appointment as a director terminates.

12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

12.2 Except as the Articles specify otherwise, alternate directors:

12.2.1 are deemed for all purposes to be directors;

12.2.2 are liable for their own acts and omissions;

12.2.3 are subject to the same restrictions as their appointors; and

12.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which their appointor is a member.

12.3 A person who is an alternate director but not a director:

12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

12.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

12.3.3 shall not be counted as more than one director for the purposes of Article 12.3.1 and Article 12.3.2.

12.4 A director who is also an alternate director is entitled, in the absence of their appointor, to a separate vote on behalf of their appointor, in addition to their own vote on any decision of the directors (provided that their appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

Shares

13. ISSUE OF SHARES

13.1 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:

13.1.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

13.1.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which they are entitled shall, in their acceptance, state the number of excess equity securities (**Excess Securities**) for which they wish to subscribe.

- 13.2 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 13.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 13.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 13.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by that shareholder). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 13.3 Subject to Articles 13.2 and 13.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 14. DIFFERENT CLASSES OF SHARES**
- 14.1 For such times as the Company has shares of different classes, the shares shall have the following rights attaching to them:
- 14.1.1 A Shares:
- 14.1.1.1 voting rights: one vote for each share;
- 14.1.1.2 dividend rights: rights to participate in all approved dividend distributions for that class of share;
- 14.1.1.3 capital right: rights to participate in any distribution of capital on winding up of the company.
- 14.1.2 B Shares:
- 14.1.2.1 voting rights: one vote for each share;
- 14.1.2.2 dividend rights: rights to participate in all approved dividend distributions for that class of share;
- 14.1.2.3 capital right: rights to participate in any distribution of capital on winding up of the company.
- 14.2 The profits of the Company in respect of each financial year shall be distributed by way of dividend as the directors may by resolution declare and authorise in such amount(s) and at such time(s) as they may think fit on one or more classes of shares in the capital of the Company.
- 14.3 For the avoidance of doubt, the directors shall have complete discretion to declare a dividend in respect of one class of shares but not another and/or of one designation of shares of the same class but not another and to declare a different level of dividend in respect of different classes of shares and/or in respect of different designations of shares of the same class.

- 14.4 Each shareholder covenants and agrees with the Company and each other shareholder for the time being not to challenge, impugn or question the exercise or non-exercise by the directors of their powers under this article.

15. PURCHASE OF OWN SHARES

- 15.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

15.1.1 £15,000; and

15.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

16. NON-CASH DISTRIBUTIONS

- 16.1 Subject to the terms of issue of the share in question, the Company may, by resolution of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

- 16.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

16.2.1 fixing the value of any assets;

16.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

16.2.3 vesting any assets in trustees.

Transfer of Shares

17. PERMITTED TRANSFERS

- 17.1 A Shareholder (for the purposes of this Article 17, known as the Original Shareholder) may transfer all or any of their Shares to a Permitted Transferee.

- 17.2 If a Permitted Transfer has been made to a Permitted Transferee of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Permitted Transferee of the Original Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder).

- 17.3 If the Permitted Transferee fails to comply with Article 17.2 above, the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of that Permitted Transferee:

17.3.1.1 complete, execute and deliver in the Permitted Transferee's name all documents necessary to give effect to the transfer of the relevant Shares to the

Original Shareholder (or their transmittee (as the case may be));

17.3.1.2 (subject to the transfers being duly stamped) enter the Original Shareholder (or their transmittee (as the case may be)) in the register of members as the holders of the Shares held by the Permitted Transferee at the point the ceased to be a Permitted Transferee; and

17.4 Notwithstanding any other provision of this Article 17, a transfer of any Shares approved by the Board may be made without any price or other restriction and any such transfer shall be registered by the Board.

18. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

18.1 In this Article, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

18.2 Except where the provisions of Article 17 apply, any transfer of shares by a shareholder shall be subject to:

18.2.1 The passing of a special resolution of the Shareholders approving the transfer; and

18.2.2 the pre-emption rights in this Article.

18.3 A Shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:

18.3.1 the number of Sale Shares; and

18.3.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer.

18.4 Once given (or deemed to have been given) under these Articles, the Board shall (in their sole discretion) determine whether there is a genuine offer to purchase the Sale Shares. Once determined, a Transfer Notice may not be withdrawn, and a Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

18.5 Any Transfer Notice shall:

18.5.1 be deemed to have included all of the Shares held by the Seller and the Seller's Permitted Transferees; and

18.5.2 state the price (in cash) at which the Seller wishes to sell the Sale Shares. If no cash price is agreed between the Seller and the Company within 10 Business Days of service of the Transfer Notice, the price shall be Fair Value (**Transfer Price**)).

18.6 The Seller may, within 10 Business Days following determination or agreement of the Transfer Price (as the case may be), withdraw the Transfer Notice, in which case the

Seller shall be responsible for the costs of the Company in agreeing or determining the Transfer Price.

- 18.7 As soon as practicable following the receipt of a Transfer Notice and determination of the Transfer Price, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 18.8 The Board shall offer the Sale Shares to the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 18.9 If at the end of the First Offer Period:
- 18.9.1 the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which the Continuing Shareholder's existing holding of shares bears to the total number of Shares held by Continuing Shareholders (together with their Permitted Transferees). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.
 - 18.9.2 not all Sale Shares are allocated following allocations in accordance with Article 18.9.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in Article 18.9.1. The procedure set out in this Article 18.9.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 18.10 If at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with Article 18.11.
- 18.11 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 18.12 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that the Continuing Shareholder's existing

holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which it has stated it is willing to buy.

- 18.13 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with Article 18.16.
- 18.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 18.15 If the Seller fails to comply with Article 18.14:
 - 18.15.1 the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
 - 18.15.1.1 complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - 18.15.1.2 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - 18.15.1.3 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
 - 18.15.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 18.16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses, the Seller may not transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person, without first serving a fresh Transfer Notice on the Company.

19. COMPULSORY TRANSFER EVENTS

19.1 A Shareholder is deemed to have served a transfer notice under Article 18 immediately before the occurrence of any of the following events:

- 19.1.1 the Shareholder's death;
- 19.1.2 the Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or the Shareholder's shareholding;
- 19.1.3 an order being made for the Shareholder's bankruptcy;
- 19.1.4 the Shareholder committing a material or persistent breach of any shareholders' agreement to which the Shareholder is a party in relation to the Shares which if capable of remedy has not been so remedied within 20 Business Days of any other Shareholder requiring such remedy.

19.2 The deemed transfer notice has the same effect as a transfer notice, except that:

- 19.2.1 the deemed transfer notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares;
- 19.2.2 if the Shareholder is deemed to have served a Transfer Notice pursuant to article 19.1.4, the price payable for the Shareholders' shares shall be 50% of their Fair Value;
- 19.2.3 if the Shareholder is deemed to have served a Transfer Notice pursuant to articles 19.1.1, 19.1.2 or 19.1.3 the price payable for the Shareholders' shares shall be their Fair Value;
- 19.2.4 the seller or his personal representatives (if appropriate) does not have a right of withdrawal, and Article 18.6 shall not apply;
- 19.2.5 it will cover all of the Shares held by that Shareholder plus the Shares held by their Permitted Transferee; and
- 19.2.6 on the completion of any sale in accordance with this Article, the buyer is not required to procure the discharge of any security given by the seller or to procure the release of any debts of the Company to them.

20. VALUATION

20.1 For the purposes of this Article 20, **Expert** shall mean the Company's appointed accountants from time to time, except that if the Company has no accountants at the time the Fair Value is required to be determined, or if the Sellers give notice that they do not agree with the Company's accountants determining Fair Value within 10 Business Days of service of the Transfer Notice, the **Expert** shall be such person as is either agreed by the Seller and the Company or, if the parties fail to agree on the Expert and the terms of their appointment within 15 Business Days of either party serving details of a proposed Expert on the other then either party shall be entitled to request the President of the Institute of Chartered Accountants in England and Wales to appoint the Expert and to agree their terms of appointment on behalf of the parties.

- 20.2 The Seller and the Company shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Expert and to agree terms of appointment with the Expert. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Expert or the other party.
- 20.3 The Fair Value shall be the price per Sale Share determined by the Expert on the following bases and assumptions:
- 20.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 20.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 20.3.3 that the Sale Shares are capable of being transferred without restriction;
 - 20.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 20.3.5 reflecting any other factors which the Expert reasonably believes should be taken into account.
- 20.4 If any difficulty arises in applying any of these assumptions or bases then the Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 20.5 The directors will give the Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the directors may reasonably impose.
- 20.6 The parties are entitled to make submissions to the Expert (excluding oral submissions and shall provide (or procure that others provide) the Expert with such assistance and documents as the Expert may reasonably require for the purpose of reaching a decision.
- 20.7 The Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 20.8 The Expert shall be requested to determine the Fair Value within 25 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 20.9 The cost of obtaining the Expert's certificate shall be borne by the parties equally or in such other proportions as the Expert direct unless:
- 20.9.1 the Seller withdraws the relevant Transfer Notice in accordance with Article 18.6; or
 - 20.9.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the directors before the appointment of the Expert,

in which case the Seller shall bear the cost.

21. DRAG ALONG RIGHTS

- 21.1 If the holders of 75% or more of the Shares (**Selling Shareholders**) wishes to transfer all of his interest in his shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all other shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 21.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 21;
 - 21.2.2 the person to whom the Called Shares are to be transferred;
 - 21.2.3 the consideration payable for the Called Shares which shall, for each Called Share;
 - 21.2.4 the proposed date of the transfer.
- 21.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 21.
- 21.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 21.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - 21.5.2 that date is less than 30 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30th Business Day after service of the Drag Along Notice.
- 21.6 The rights of pre-emption set out in article 15 shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 21.7 Within 15 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable

indemnity for any lost share certificates) to the Company. On the Completion Date, the Selling Shareholders shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 21.2.3 to the extent that the Proposed Buyer has put the Selling Shareholders in the requisite funds. The Selling Shareholders' receipt for the price shall be a good discharge to the Proposed Buyer. The Selling Shareholders shall hold the amounts due to the Called Shareholders pursuant to article 21.2.3 in trust for the Called Shareholders without any obligation to pay interest.

- 21.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Selling Shareholders in funds to pay the consideration due pursuant to article 21.2.3, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their shares.
- 21.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 21.

22. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 22.1 Except in the case of transfers pursuant to Article 17, and after going through the pre-emption procedure set out in Article 18, the provisions of article 22.2 to article 22.6 shall apply if the holders of 75% or more of the Shares propose to transfer their Shares (**Proposed Transfer**) to a third party (**Buyer**).
- 22.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).
- 22.3 The Offer shall be made by written notice (**Offer Notice**), at least 30 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 22.3.1 the identity of the Buyer;
 - 22.3.2 the Specified Price and other terms and conditions of payment;
 - 22.3.3 the Sale Date; and
 - 22.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

- 22.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 22.2 and article 22.3,, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 22.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 30 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 22.6 The Proposed Transfer is subject to the pre-emption provisions of Article 18, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

Decision making by shareholders

23. GENERAL MEETING

- 23.1 A general meeting of the Shareholders shall be called at least twice a year by the giving of no less than 21 clear days' notice meeting (or such lesser notice as all the Shareholders may agree).
- 23.2 The quorum for each general meeting shall be two persons, being a holder of an A Share and a holder of a B Share.

24. POLL VOTES

- 24.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 24.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.

25. PROXIES

- 25.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 25.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid ,unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.

Administrative arrangements

26. MEANS OF COMMUNICATION TO BE USED

- 26.1 Subject to Article 26.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
 - 26.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

- 26.1.2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- 26.1.3 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 26.1.4 if deemed receipt under the previous paragraphs of this Article 26.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this Article, all references to time are to local time in the place of deemed receipt.

26.2 To prove service, it is sufficient to prove that:

- 26.2.1 if delivered by hand the notice was delivered to the correct address; or
- 26.2.2 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- 26.2.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

27. INDEMNITY

27.1 Subject to Article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 27.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a relevant officer:
 - 27.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - 27.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their 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

- 27.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with

any proceedings or application referred to in Article 27.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

27.2 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.

27.3 In this Article:

27.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

27.3.2 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 Act).

28. INSURANCE

28.1 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.

28.2 In this Article:

28.2.1 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 Act).

28.2.2 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

28.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.