

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
CSA ENVIRONMENTAL LIMITED
(COMPANY NUMBER 15478613)
(THE "COMPANY")

(Adopted by special resolution passed on 11 March 2024)

1. INTERPRETATION

1.1. In these Articles, unless the context otherwise requires, the following definitions apply:

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| Act | the Companies Act 2006; |
| Allocation Date | has the meaning given in Article 25.4.1; |
| Allocation Notice | has the meaning given in Article 25.4.2; |
| alternative director | has the meaning given in Article 10.1; |
| A Ordinary Share Director | has the meaning given in the Shareholders' Agreement; |
| A Ordinary Shares | the A ordinary shares of £1.00 each in the capital of the Company; |
| appointer | has the meaning given in Article 10.1; |
| Articles | the Company's articles of association for the time being in force; |
| Bad Leaver | a legal and beneficial holder of B Ordinary Shares who becomes a Leaver at any time and who is not a Good Leaver; |
| Board | the board of directors of the Company, as constituted from time to time; |
| B Ordinary Shares | the B ordinary shares of £1.00 each in the capital of the Company; |
| B Ordinary Share Director | has the meaning given in the Shareholders' Agreement; |
| business days | any day (other than a Saturday, Sunday or a bank or public holiday in the United Kingdom) on which the banks are generally open for business in the city of London for the transaction of normal sterling banking business; |
| Buy Back Notice | has the meaning given in Article 25.6.1; |
| Buyer | has the meaning given in Article 25.4.2; |
| Cash | the aggregate amount of all unrestricted: |

- (a) cash on hand; and
- (b) cash standing to the credit of any account with a bank or other financial institution,

in each case as taken or derived from the consolidated management accounts of the Group for the month immediately prior to the date of the Transfer Notice;

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| Compulsory Notice | Transfer | has the meaning given in Article 24.2; |
| Compulsory Shares | Transfer | <p>in relation to a Relevant Member, any Shares:</p> <ul style="list-style-type: none"> (a) held by the Relevant Member at the time of the relevant Transfer Event; (b) acquired by the Relevant Member and/or personal representatives after the occurrence of the Transfer Event; (c) held by a Permitted Transferee of the Relevant Member pursuant to Article 23; |
| Conflict Situation | | any situation or matter in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company; |
| Controlling Interest | | means an interest (within the meaning of Schedule 1 of the Companies Act 2006) in Shares conferring in aggregate 50% or more of the total voting rights conferred by all the Shares in the equity share capital of the Company for the time being in issue; |
| Debt | | the aggregate of indebtedness of the Group for borrowed monies and for finance or capital leases from banks or similar institutions (or similar financing arrangements (other than retention of title arrangements in trading contracts) where the Group does not receive title to goods until such goods have been paid in full) and including the Loan Notes and the nominal value of (being the amount paid up or credited as paid up on) the Preference Shares in issue, overdrafts, contingent payments, together with all accrued interest, any fee, prepayment fee, costs or penalties (including breakage costs) and corporation tax, but excluding any invoice discounting arrangements, in each case as taken or derived from the consolidated management accounts of the Group for the month immediately prior to the date of the Transfer Notice; |
| Defaulting Shareholder | | has the meaning given in Article 26.7; |
| Director | | a director of the Company, including any person occupying the position of director, by whatever name called; |
| Drag Along Completion | | has the meaning given in Article 26.2.4; |
| Drag Along Notice | | has the meaning given in Article 26.3; |

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| Drag Along Shareholders | has the meaning given in Article 26.3 and Drag Along Shareholder shall be construed accordingly; |
| eligible director | 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); |
| Employee Trust | a trust whose beneficiaries are the bona fide employees of the Group; |
| Equity Securities | shall have the meaning given in section 560(1) of the Act provided that the Preference Shares shall not be considered Equity Securities notwithstanding they do not carry any rights in respect of dividends; |
| Excess Request | shall have the meaning given in Article 25.3.1.4; |
| Excess Securities | has the meaning given in Article 21.2.2; |
| Family Trust | a trust which permits the settled property or the income from it to be applied only for the benefit of an individual member (the Settlor) and/or any Privileged Relation of that Settlor and under which no power or control is capable of being exercised over the votes of any Shares which are the subject of the trust, by any person other than the trustees or the Settlor or any Privileged Relations of the Settlor; |
| Good Leaver | a legal and beneficial holder of B Ordinary Shares who becomes a Leaver at any time by reason of: <ul style="list-style-type: none"> (a) the death of the director, employee and/or consultant; (b) permanent disability, permanent incapacity or serious illness (not caused by illegal drug or alcohol dependence) which prevents the director, employee and/or consultant from holding office or providing services; or (c) the Board determines, in their absolute discretion, that a person is a Good Leaver. |
| Group | the Company, a subsidiary or holding company from time to time of the Company and any subsidiary from time to time of any such holding company and Group Company shall be construed accordingly; |
| Leaver | a member holding B Ordinary Shares who, being a director or employee of, or consultant to, a Group Company, ceases to be a director, employee or consultant for any reason and does not continue as a director or employee of, or a consultant to, a Group Company; |
| Loan Notes | has the meaning given in the Shareholders' Agreement; |
| Market Value | the price per Share determined in accordance with Article 25.2.2; |
| Model Articles | 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 |

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| | date on which these Articles become binding on the Company; |
| Non-A Shareholder Group | any group of holders of B Ordinary Shares holding, in aggregate, 75% or more of all B Ordinary Shares; |
| Non-A Shareholder Group Matching Right Purchase Notice | has the meaning set out in Article 26.4.1; |
| Non-A Shareholder Group Matching Shareholders | has the meaning set out in Article 26.4.1; |
| Non-A Shareholder Group Matching Shareholders' Vehicle | has the meaning set out in Article 26.4.4; |
| Noteholder Director | has the meaning given in the Shareholders' Agreement; |
| Offer Notice | has the meaning given in Article 25.3; |
| Ordinary Shares | means the A Ordinary Shares and the B Ordinary Shares; |
| Permitted Transferee | any of the Privileged Relations or the trustees of a Family Trust of a member; |
| Preference Shares | the non-redeemable preference shares of £1.00 each in the capital of the Company; |
| Privileged Relation | civil partner, spouse, widow or widower of the member and the member's children and grandchildren (including legitimate, illegitimate, step and adopted children and their issue); |
| Proposed Buyer | has the meaning given in Article 26.1; |
| Proposed Price | has the meaning given in Article 25.1.2.5; |
| Proposing Shareholder | has the meaning given in Article 26.1; |
| Proxy Notice | has the meaning given in Article 29.1; |
| Qualifying Person | shall have the meaning given in section 318 of the Act; |
| Relevant Member | a member in respect of whom an event shall be treated as a Transfer Event in accordance with Article 24.1; |
| Sale | means the sale or other disposal (whether by one transaction or a series of related transactions) of a Controlling Interest in the Company; |
| Sale Proceeds | means the aggregate consideration expressed as a cash price (whether that consideration is to be satisfied in cash, shares, loan stock or a combination thereof or otherwise) paid or undertaken to be paid for the relevant Shares on the Sale on or following completion of an agreement or offer to acquire those Shares less the reasonable costs of the Sale (including, but not limited to, broker, legal and accounting fees); |

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| Sale Shares | has the meaning given in Article 25.1.2.3; |
| Seller | has the meaning given in Article 25.1.1; |
| Selling Notice | has the meaning given in Article 26.2; |
| Selling Party | has the meaning given in Article 27.1; |
| Selling Shares | has the meaning given in Article 26.1; |
| Shareholder | a holder of Shares; |
| Shareholders' Agreement | the agreement dated on the date of adoption of these Articles and made between the Company and the members on that date (as amended, varied or supplemented from time to time in accordance with its terms); |
| Shares | means the shares in the capital of the Company of whatever class; |
| Subscription Price | in relation to any Share, the amount paid up or credited as paid up on such Share including the full amount of any premium at which such Share was issued; |
| Tag Along Offer | has the meaning given in Article 27.1; |
| Tag Along Shareholder | has the meaning given in Article 27.1; |
| Total Transfer Condition | has the meaning given in Article 25.1.2.6; |
| Transfer Event | means any of the circumstances listed in Article 24.1; |
| Transfer Notice | has the meaning given in Article 25.1.1; and |
| Transfer Price | subject to Article 24.3, the price determined in accordance with Article 25.2.1. |

- 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. In these Articles, reference to a **subsidiary or holding company** is to be construed in accordance with section 1159 of the Act.
- 1.4. Headings in the Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.5. A reference in these Articles to an **Article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.6. Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.6.1. any subordinate legislation from time to time made under it; and
 - 1.6.2. any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

- 1.7. Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. MODEL ARTICLES

The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles. If any provisions of these Articles conflict with any provisions of the Model Articles, these Articles shall prevail.

3. DIRECTORS – DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 3.1. The general rule about decision making is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 4.1.
- 3.2. Paragraph 7 of the Model Articles shall not apply to the Company.

4. DIRECTORS – UNANIMOUS DECISIONS

- 4.1. 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.
- 4.2. 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.
- 4.3. 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.
- 4.4. Paragraph 8 of the Model Articles shall not apply to the Company.

5. DIRECTORS – NUMBER AND QUORUM

- 5.1. Unless otherwise determined by special resolution, the number of directors is not subject to any maximum or minimum number of directors.
- 5.2. The quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but it must never be less than three eligible directors and unless otherwise so fixed, it is three eligible directors which shall include:
- 5.2.1. the Noteholder Director (or his duly appointed alternate director) whilst any sums remain outstanding under the Loan Notes;
 - 5.2.2. any A Ordinary Share Director (or his duly appointed alternate director); and
 - 5.2.3. one B Ordinary Share Director (or his duly appointed alternate director).
- 5.3. Unless otherwise so fixed, the quorum shall be as set out in Article 5.2 unless:
- 5.3.1. there is no Noteholder Director, A Ordinary Share Director or B Ordinary Share Director in office for the time being; or
 - 5.3.2. the Noteholder Director, all A Ordinary Share Directors or all B Ordinary Share Directors have, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting; or
 - 5.3.3. no Noteholder Director, A Ordinary Share Director or B Ordinary Share Director is, in respect of any particular meeting (or part of a meeting), an eligible director,

in which case the quorum for such meeting (or part of a meeting) shall remain as set out in Article 5.2 save that the quorum of three eligible directors shall not be required to include the Noteholder Director and/or A Ordinary Share Director and/or B Ordinary Share Director (as applicable).

- 5.4. If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting shall be adjourned for the same day in the next week at the same time and in the same place or as near to the same time and in the same place as is practicable. If, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed (such meetings having been validly convened in accordance with the Articles), the quorum shall be reduced to three eligible directors which shall include an A Ordinary Share Director (or his duly appointed alternate director).
- 5.5. For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict of interest, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 5.6. Paragraph 11(2) of the Model Articles shall not apply to the Company.
- 5.7. Any director may validly participate in a meeting of the directors through the medium of conference telephone or any other form of communications equipment (whether in use when these Articles are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.

6. DIRECTORS – CASTING VOTE

- 6.1. If the number of votes for and against a proposal at a meeting of directors is equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 6.2. Paragraph 13 of the Model Articles shall not apply to the Company.

7. DIRECTORS - POWERS TO AUTHORISE CONFLICTS OF INTEREST

- 7.1. The directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a Conflict Situation provided that, for this purpose, the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted.
- 7.2. Any authorisation given under Article 7.1 may (whether at the time of giving the authorisation or subsequently) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the conflict so authorised.
- 7.3. Where the directors give authority under Article 7.1:
 - 7.3.1. they may (whether at the time of giving the authority or subsequently) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the matter that is the subject of the authorisation and impose upon the relevant director such other terms for the purpose of the authorisation as they think fit and:
 - 7.3.1.1. the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the authorisation; and
 - 7.3.1.2. the relevant director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms;

7.3.2. they may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence; and

7.3.3. the directors may revoke or vary the authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.

7.4. A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter which has been authorised by the directors pursuant to Article 7.1 (subject in any case to any limits or conditions to which such approval was subject).

8. DIRECTORS – TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

8.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

8.1.1. 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;

8.1.2. shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested; and

8.1.3. 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 transaction or arrangement or such proposed transaction or arrangement.

8.2. Paragraphs 14(1) to 14(4) inclusive of the Model Articles shall not apply to the Company.

9. DIRECTORS – METHODS OF APPOINTING DIRECTORS

9.1. In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the transmittee(s) of the last member 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.

9.2. For the purposes of Article 9.1, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

9.3. Paragraphs 17(2) and 17(3) of the Model Articles shall not apply to the Company.

10. DIRECTORS – ALTERNATE DIRECTORS

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

10.1.1. exercise that director's powers; and

10.1.2. carry out that director's responsibilities

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

- 10.2. 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.
- 10.3. The notice must:
- 10.3.1. identify the proposed alternate, and
 - 10.3.2. 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.
- 10.4. An alternate director may act as an 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.
- 10.5. Except as the Articles specify otherwise, alternate directors:
- 10.5.1. are deemed for all purposes to be directors;
 - 10.5.2. are liable for their own acts and omissions;
 - 10.5.3. are subject to the same restrictions as their appointors; and
 - 10.5.4. 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 his appointor is a member.
- 10.6. A person who is an alternate director but not a director:
- 10.6.1. 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);
 - 10.6.2. 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
 - 10.6.3. shall not be counted as more than one director for the purposes of Articles 10.6.1 and 10.6.2.
- 10.7. A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his 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.
- 10.8. An alternate director is not 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 to the Company.
- 10.9. An alternate director's appointment as an alternate terminates:
- 10.9.1. when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 10.9.2. 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;
 - 10.9.3. on the death of the alternate's appointor; or

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

11. DIRECTORS' EXPENSES

11.1. The Company may pay any reasonable expenses which the directors (including alternate directors) and, if it has one, the secretary (but so that nothing in this Article 11.1 shall require the Company to have a secretary) properly incur in connection with their attendance at:

11.1.1. meetings of directors or committees of directors;

11.1.2. general meetings; or

11.1.3. separate meetings of any holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

11.2. Paragraph 20 of the Model Articles shall not apply to the Company.

12. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit, and from time to time remove such person and, if the directors so decide, appoint a replacement in each case by a decision of the directors. Nothing in this Article 12 shall require the Company to have a secretary.

13. SHARES

The Company's share capital shall be divided into A Ordinary Shares, B Ordinary Shares and Preference Shares.

14. VOTING RIGHTS

14.1. The voting rights attaching to the Shares shall be as follows:

14.1.1. The A Ordinary Shares and the B Ordinary Shares shall carry the right to receive notice of, to be present and speak at and to vote, either in person or by proxy, at any general meeting of the Company or by way of written resolution; and

14.1.2. The Preference Shares shall not carry the right to receive notice of, to be present or speak at or to vote, either in person or by proxy, at any general meeting of the Company or by way of written resolution.

15. INCOME RIGHTS

15.1. The income rights attaching to the Shares shall be as follows:

15.1.1. The A Ordinary Shares and the B Ordinary Shares shall carry the right to income in such proportions as the directors in their absolute direction shall determine but only to the extent that there are profits available for distribution.

15.1.2. The Preference Shares shall not carry the right to income.

15.2. The directors may at any time and from time to time, subject always to the provisions of the Act, declare a dividend or dividends in different amounts upon the A Ordinary Shares and/or B Ordinary Shares and for the avoidance of doubt, if the directors so decide, they can declare a

dividend on any class of Share without declaring a dividend on all or any other classes of Shares.

16. RIGHTS TO CAPITAL

- 16.1. On a return of capital on liquidation, reduction of capital or otherwise (except on a redemption or purchase by the Company of any of its own shares), the holders of the Preference Shares shall be entitled, in priority to any return of capital on any other class of shares, to repayment of the amount paid up or credited as paid up on each Preference Share (with the balance (if any) being paid to the holders of the Ordinary Shares, in the proportion to the number of Ordinary Shares held by each of them). If, upon any return of capital, the amounts available for payment are insufficient to cover the amounts payable in full on the Preference Shares, the holders of the Preference Shares shall share rateably in the return of capital pro rata to the aggregate amounts to which they are respectively entitled.

17. SALE

- 17.1. Upon a Sale, each Shareholder selling their Shares ("**Selling Member**") shall share in the Sale Proceeds and agrees that, as a condition to each of them selling their Shares in that Sale, the proposed purchaser must:

17.1.1. first, pay to those Selling Members who hold the Preference Shares, the amount paid up or credited as paid up on each Preference Share (or if the Sale Proceeds do not exceed the amount paid up or credited as paid up on each Preference Share, the whole of the Sale Proceeds) in proportion to the Preference Shares held by them;

17.1.2. second, pay to those Selling Members who hold Ordinary Shares, the amount by which the Sale Proceeds exceed the amount paid up or credited as paid up on each Preference Share (if any), in the proportion to the number of Ordinary Shares held by each of them.

and upon a Sale, each Selling Member hereby appoints the Company as its duly authorised agent to collect in and receive all of the Sale Proceeds due to that Selling Member on that Selling Member's behalf, to acknowledge receipt of payment of those proceeds and to hold those proceeds on trust for the Selling members and to distribute those proceeds to the Selling Members in the proper amounts as described in this Article 17.

- 17.2. The directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in the manner set out in Article 17.1 provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Sale:

17.2.1. the directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Sale have been distributed in the order of priority set out in Article 17.1; and

17.2.2. each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by the holders of the Preference Shares to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 17.1.

18. RIGHTS OF REDEMPTION

The Shares are not redeemable or liable to be redeemed at the option of the Company or shareholder.

19. LIEN

The Company shall have a first and paramount lien on every Share, not being a fully paid Share, for all amounts payable to the Company (whether presently or not) in respect of that Share. The Company's lien shall extend to every amount payable in respect of it. The board of directors of the Company may at any time, either generally or in any particular case, waive any

lien that has arisen or declare any Share to be wholly or in part exempt from the provisions of this Article.

20. ISSUE OF SHARES – AUTHORITY TO ALLOT

20.1. Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of Shareholders, the directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

20.2. Subject to the remaining provisions of this Article 20, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

20.2.1. offer or allot;

20.2.2. grant rights to subscribe for or to convert any security into;

20.2.3. otherwise deal in, or dispose of, any relevant securities, at any time and subject to any terms and conditions as the directors think proper.

20.3. The authority referred to in Article 20.2:

20.3.1. is subject to the provisions of Article 21;

20.3.2. shall be limited to the issue of up to:-

20.3.2.1. 6,499 A Ordinary Shares;

20.3.2.2. 3,500 B Ordinary Shares; and

20.3.2.3. 822,240 Preference Shares

(in addition to the subscriber share in issue at the date of adoption of these Articles);

20.3.3. shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

20.3.4. may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such authority, and the directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired.

21. ISSUE OF SHARES – PRE-EMPTION RIGHTS

21.1. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Equity Securities made by the Company.

21.2. Unless otherwise agreed by special resolution or by a unanimous written waiver signed by all Shareholders holding Equity Securities, if the Company proposes to allot any Equity Securities (other than the issue of those Shares referred to in Article 20), those Equity Securities shall not be allotted to any person unless the Company has first offered them to all members 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 Equity Securities held by those holders (as nearly as possible without involving fractions). The offer:

21.2.1. shall be in writing, (made in hard copy or electronic form) shall be open 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

- 21.2.2. shall stipulate that any member who wishes to subscribe for a number of Equity Securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Equity Securities (**Excess Securities**) for which he wishes to subscribe.
- 21.3. Any Equity Securities not accepted by members pursuant to the offer made to them in accordance with Article 21.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 21.2.2. 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 members in accordance with Article 21.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any member beyond that applied for him). 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 members.
- 21.4. Subject to Articles 21.2 and 21.3 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.
- 21.5. No Equity Securities shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 21.6. Notwithstanding any other provision of these Articles, no Share shall be issued to a person who is not already a party to the Shareholders' Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement.
- 21.7. On the allotment of any Shares as permitted by these Articles any Share allotted to an existing member shall automatically be redesignated on allotment as a Share of the same class as those Shares already held by the existing member.
- 22. TRANSFER OF SHARES - GENERAL**
- 22.1. For the purposes of Articles 22, 23 and 25 any reference to a transfer of Shares includes a disposition of any interest in any Share (or the income or capital or other rights thereto) whether legal, beneficial or otherwise, including the entry into any option or other agreement (conditionally or otherwise) for the possible sale or transfer thereof or grant of any security thereover, and whether or not for consideration or by written disposition or otherwise.
- 22.2. No Share shall be transferred, and the directors shall not register any transfer of Shares, other than in accordance with these Articles and any transfer or purported transfer of any Share made otherwise than in accordance with these Articles shall be void and of no effect whatsoever. Paragraph 26 of the Model Articles shall be modified accordingly.
- 22.3. The directors may only, and in their absolute discretion, refuse to register a transfer of shares to a minor, bankrupt or person in respect of whom, by reason of that person's mental health, a court has made an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have. Paragraph 26(5) of the Model Articles shall be modified accordingly.
- 22.4. The directors may, and in their absolute discretion, refuse to register a transfer of shares to a person who is not already a party to the Shareholders' Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement.
- 22.5. Where any Share is transferred to an existing member holding Shares, if applicable such Share so transferred shall on and from the time of registration of the transfer of that Share in the register of members of the Company, be immediately and automatically (without resolution of the members or directors) redesignated as a Share of the same class as the Shares already held by such member.

22.6. The restrictions on transfer contained in this Article 22 (Transfer of Shares – General) and Article 25 (Pre-emption on Transfer) shall not apply to any transfer of B Ordinary Shares by the Employee Trust to:

22.6.1. the new trustees or remaining trustees or trustees for the time being of the Employee Trust; and/or

22.6.2. an employee in satisfaction of the exercise of an employee share option arrangement or otherwise.

23. PERMITTED TRANSFERS

23.1. A member holding Shares (the **Original Transferor**) may transfer any of his Shares to a Permitted Transferee provided that:

23.1.1. in the case of a transfer of Shares to a Permitted Transferee no transfer of Shares shall be permitted pursuant to this Article 23.1 if the registration of that transfer, when aggregated with any previous transfer or transfers by that Original Transferor pursuant to this Article 23.1, would result in the aggregate number of Shares so transferred representing more than 50% of the total number of Shares held for the time being by that Original Transferor; and

23.1.2. in the case of a transfer of Shares to a Privileged Relation:

23.1.2.1. that Privileged Relation may only transfer such Shares to the Original Transferor or any other Permitted Transferee of the Original Transferor; and

23.1.2.2. if that Permitted Transferee ceases, at any time and for any reason, to be a Privileged Relation of the Original Transferor, such Privileged Relation shall forthwith transfer all the Shares held by him to the Original Transferor or any other Permitted Transferee of the Original Transferor. If the said Shares are not so transferred within 20 business days of that Privileged Relation so ceasing to be a Privileged Relation, the provisions of Article 24.1 shall apply;

23.1.3. in the case of a transfer of Shares to a Family Trust if that Permitted Transferee ceases, at any time and for any reason, to be a Family Trust in relation to the Settlor or if there ceases, for any reason, to be any beneficiaries (other than charities) of that Family Trust, the trustees shall forthwith transfer all the Shares held by them to the Original Transferor, any Permitted Transferee. If the said Shares are not so transferred within 20 business days of that Family Trust so ceasing to be a Family Trust or there so ceasing to be any beneficiaries, the provisions of Article 24.1 shall apply.

24. COMPULSORY TRANSFERS

24.1. In this Article 24.1 each of the following shall be a Transfer Event in relation to any member holding Shares (other than the Employee Trust) where:

24.1.1. that member dies;

24.1.2. a bankruptcy order is made against that member or that member is declared bankrupt by any court of competent jurisdiction, that member making an offer to make any arrangement or composition with his creditors generally or if a trustee, receiver, administrative receiver, administrator or liquidator or similar officer is appointed in respect of all or any part of the business and assets of that member;

24.1.3. the Shareholder committing a material or persistent breach of the Shareholders' Agreement which if capable of remedy has not been so remedied within 20 Business Days of the holders of a majority of the Shares (excluding such Shareholders' Shares) requiring such remedy;

- 24.1.4. a sale or other disposition of any beneficial interest in a Share (whether or not for consideration) by a Shareholder otherwise than in accordance with the provisions of these Articles and whether or not made in writing;
 - 24.1.5. in relation to a legal and beneficial holder of B Ordinary Shares by reason of that member's mental health, that member is admitted to hospital for six months or more in a consecutive period or a court makes an order which wholly or partly prevents that member from personally exercising any powers or rights which that member would otherwise have;
 - 24.1.6. in relation to a legal and beneficial holder of B Ordinary Shares, the permanent physical incapacity of a member which, in the reasonable opinion of a doctor, appointed by the Company, is sufficiently serious to prevent him from carrying out his current employment or consultancy role for a period of six months or more in a consecutive period; or
 - 24.1.7. in relation to a legal and beneficial holder of B Ordinary Shares, that Shareholder becomes a Leaver.
- 24.2. Upon a Transfer Event, the Relevant Member and any other person holding Compulsory Transfer Shares shall be deemed to have served a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held by each of them respectively. A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares.
- 24.3. The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of Article 25 (Pre-emption on Transfer) as if the Compulsory Transfer Shares were Sale Shares, and:
- 24.3.1. where the Transfer Event relates to a member holding the legal and beneficial title to A Ordinary Shares or B Ordinary Shares and Article 24.1.1 applies, the Transfer Price in respect of the Compulsory Transfer Shares shall be Market Value;
 - 24.3.2. where the Transfer Event relates to a member holding the legal and beneficial title to A Ordinary Shares or B Ordinary Shares and Article 24.1.2, 24.1.3 or 24.1.4 applies, the Transfer Price in respect of the Compulsory Transfer Shares shall be their Subscription Price;
 - 24.3.3. where the Transfer Event relates to a member holding the legal and beneficial title to B Ordinary Shares, the Transfer Price in respect of the Compulsory Transfer Shares shall be:
 - 24.3.3.1. where the Relevant Member is a Bad Leaver, whichever is the lower of their Market Value and their Subscription Price; and
 - 24.3.3.2. where the Relevant Member is a Good Leaver, whichever is the higher of their Market Value and their Subscription Price; and
 - 24.3.4. where the Transfer Event relates to a member holding the legal and beneficial title to Preference Shares, their Subscription Price.
- 24.4. Any dispute as to whether the provisions of Article 24.3.3.1 or 24.3.3.2 apply in relation to any Compulsory Transfer Notice shall not affect the validity of a Compulsory Transfer Notice nor shall it delay the procedure to be followed under Article 25 in respect thereof. If, the Subscription Price is less than the Market Value any Buyer acquiring Compulsory Transfer Shares pursuant to a Compulsory Transfer Notice while such dispute is continuing shall pay to the Seller their Subscription Price and shall, in addition, pay to the Company an amount equal to the difference between their Market Value and their Subscription Price. The Company shall hold such amount as trustee in a separate interest-bearing account and shall, upon final

resolution of the relevant dispute, pay such amount (together with interest thereon but less any applicable bank charges) to:

- 24.4.1. the Seller in respect of any Compulsory Transfer Shares which are determined to be sold for their Market Value; or
 - 24.4.2. the Buyer, in respect of any Compulsory Transfer Shares which are determined to be sold for their Subscription Price.
- 24.5. Notwithstanding the provisions of Article 24.3.3.1, the Board (for this purpose excluding any director who is a Relevant Member and any other person holding Compulsory Transfer Shares) may, by notice in writing served on the Company and the Relevant Member, direct that some higher (but not lower) Transfer Price shall apply to any or all of the Compulsory Transfer Shares which would otherwise be subject to Article 24.3.3.1.
- 24.6. The Board (for this purpose excluding any director who is a Relevant Member and any other person holding Compulsory Transfer Shares) may decide to disapply the application of Article 24.1 to any or all of the Compulsory Transfer Shares within ten business days following such Transfer Event in circumstances where, in their absolute discretion, they consider it fair and appropriate to do so.

25. PRE-EMPTION ON TRANSFER

25.1. Transfer Notice

25.1.1. Except as provided for in Articles 22 (Transfer of Shares – General), 23 (Permitted Transfers), 26 (Drag Along) and Article 27 (Tag Along), any member (a **Seller**) who wishes to transfer any Share shall, before transferring or agreeing to transfer such Share or interest therein, give notice in writing thereof (a **Transfer Notice**) to the Company;

25.1.2. A Transfer Notice shall:

- 25.1.2.1. not be revoked without the consent of the Board;
- 25.1.2.2. relate to one class of Share only;
- 25.1.2.3. specify the number and class of Shares which the Seller wishes to transfer (the **Sale Shares**);
- 25.1.2.4. specify the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- 25.1.2.5. specify the price per Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
- 25.1.2.6. state if the Transfer Notice is conditional that unless all of the Sale Shares being sold pursuant to this Article 25 then none shall be transferred (a **Total Transfer Condition**); and
- 25.1.2.7. constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this Article 25.

25.1.3. Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with Article 24.2):

- 25.1.3.1. it shall relate to all the Shares registered in the name of the Seller and any Compulsory Transfer Shares;

- 25.1.3.2. it shall be deemed not to contain a Total Transfer Condition;
- 25.1.3.3. subject to Article 24.3, the Transfer Price shall be determined in accordance with Article 25.2; and
- 25.1.3.4. it shall be irrevocable.

25.2. Transfer Price

25.2.1. The Sale Shares will be offered for sale in accordance with this Article 25 at the following price (the **Transfer Price**):

- 25.2.1.1. subject to the consent of the Board, the Proposed Price; or
- 25.2.1.2. such other price as may be agreed between the Seller and the Board within ten business days of the date of service (or deemed service) of the Transfer Notice; or
- 25.2.1.3. if no price is agreed pursuant to Article 25.2.1.2 within the period specified therein whichever is the lower of (i) the Proposed Price and (ii) the Market Value.

25.2.2. If the Seller and the Board are unable to agree on the Transfer Price in accordance with Article 25.2.1.2 or in accordance with Article 25.2.1.3, the Board shall forthwith determine and certify the Market Value of the Sale Shares calculated as (before applying such minority discount as the Board considers to be reasonably typical having regard to the percentage of Shares being sold):

$$\left(\left(\frac{A}{B} \right) \times ((6xE) - D + C) \right)$$

Where:

A = number of Sale Shares;

B = total number of Shares (excluding the Preference Shares) in issue;

C = plus an amount equal to Cash;

D = an amount equal to Debt; and

E = Average EBITDA of the Group for the last three financial years prior to the Transfer Notice.

25.2.3. Where the Market Value is less than the Proposed Price the Seller may, by notice in writing served on the Company within five business days of the date on which the notification of the Market Value was first served on the Seller by the Company, revoke any Transfer Notice which was not stated to be, or which is not deemed by virtue of any provision of these Articles to be, irrevocable.

25.3. Offer Notice

If any Sale Shares have not been the subject of a Buy Back Notice within ten business days of the Transfer Price being agreed or determined in accordance with these Articles then the Board shall serve a notice (an **Offer Notice**) on all members to whom the Sale Shares are to be offered in accordance with these Articles within ten business days from the end of the expiry of the period of issue of a Buy Back Notice.

25.3.1. An Offer Notice shall:

25.3.1.1. state the Transfer Price;

25.3.1.2. contain the other information set out in the Transfer Notice;

25.3.1.3. identify the total number of Sale Shares being offered for sale to all the members and the number of Sale Shares which that member is entitled to purchase;

25.3.1.4. invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase and identify that if any offeree wishes to purchase Sale Shares in excess of their entitlement they may, in their acceptance, state how many Sale Shares in excess of their proportion they wish to purchase (**Excess Request**);

25.3.1.5. the expiry date by which they must respond; and

25.3.1.6. expire, and the offer made therein shall be deemed to be withdrawn, on the expiry date shown therein which is not less than ten nor more than 20 business days after the date of the Offer Notice (the **Expiry Date**).

25.3.2. Subject to Article 25.3.3, for the purposes of allocating the Sale Shares amongst the members, Sale Shares of a class specified in the first column of the table set out below will be treated as offered:

25.3.2.1. firstly, to all persons in the category set out in the corresponding line in the second column in the table below; and

25.3.2.2. secondly, to the extent not already accepted by persons in the second column, to all persons in the category set out in the corresponding line in the third column in the table below.

25.3.2.3. thirdly, to the extent not already accepted by persons in the third column, to all persons in the category set out in the corresponding line in the fourth column in the table below:

| <u>Class of Sale Shares</u> | <u>First offer to:</u> | <u>Second offer to:</u> | <u>Third offer to:</u> |
|------------------------------------|-------------------------------|--|--|
| A Ordinary Shares | Holders of A Ordinary Shares | Holders of B Ordinary Shares (other than the Employee Trust) | Employee Trust (holding B Ordinary Shares) |
| B Ordinary Shares | Holders of A Ordinary Shares | Holders of B Ordinary Shares (other than the Employee Trust) | Employee Trust (holding B Ordinary Shares) |
| Preference Shares | The Company | - | - |

Provided always that Clive Andrew Self shall not be entitled to acquire the Equity Securities to the extent that it would cause his holding thereof to equal or exceed 25% of all the Equity Securities issued by the Company.

25.3.3. For the purposes of Article 25.3.2 no Sale Shares shall be treated as offered to the Seller or to any member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name.

25.4. Allocation of Sale Shares

- 25.4.1. After the Expiry Date or, if sooner, upon all members holding Shares of a class specified in a column in the table in Article 25.3.2 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the **Allocation Date**), the Board shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in Article 25.3.2, provided that:
- 25.4.1.1. to each member who has agreed to purchase Sale Shares, his transfer entitlement or such lesser number of Sale Shares for which he may have applied;
 - 25.4.1.2. if any member has applied for less than his transfer entitlement, the excess shall be allocated to those Shareholders who have made an Excess Request in proportion to the number of Shares then held by each of them respectively (but without allocating to any member an aggregate number of Sale Shares greater than the maximum number applied for by him); and
 - 25.4.1.3. the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Board in such manner as it sees fit.
- 25.4.2. Subject to Article 25.4.4, within five business days of the Allocation Date the Board shall give notice in writing (an **Allocation Notice**) to the Seller and each member to whom Sale Shares have been allocated pursuant to Article 25.4.1 (each a **Buyer**). An Allocation Notice shall state:
- 25.4.2.1. the number and class of Sale Shares allocated to that Buyer;
 - 25.4.2.2. the name and address of the Buyer;
 - 25.4.2.3. the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
 - 25.4.2.4. the information (if any) required pursuant to Article 25.4.4; and
 - 25.4.2.5. subject to Article 25.4.4, the place, date and time (being not less than two nor more than five business days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.
- 25.4.3. Subject to Article 25.4.4, the service of an Allocation Notice shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified therein on the terms offered to that Buyer.
- 25.4.4. Subject to Article 25.4.5, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer (subject to Article 25.4.6), transfer those Sale Shares, and deliver the relevant share certificate(s) therefor, to that Buyer. For the avoidance of doubt, the Seller shall, subject to compliance with the Act, transfer all of the Sale Shares to the Buyer on completion notwithstanding that the Transfer Price may be paid by instalments in accordance with Article 25.4.6.
- 25.4.5. If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with Article 25.4.1 is less than the total number of Sale Shares then:

- 25.4.5.1. notwithstanding any other provision of this Article 25 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this Article 25; and
- 25.4.5.2. the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.
- 25.4.6. The Board (excluding any director who is also a Seller) may, in its absolute discretion having regard to the ongoing working capital requirements of the Group and only where the Transfer Price is not covered by insurance, subject always to legal requirements, direct that the payment of the Transfer Price may be paid by the Buyer to the Seller in instalments over a maximum of 60 months (such period commencing on the date on which the Loan Notes are repaid in full) and, subject always to the foregoing provision relating to the Loan Notes remaining outstanding, the Buyer shall be obliged to act in good faith to pay such instalments as quickly as reasonably practicable after the date on which the Loan Notes are repaid in full.

25.5. Default by the Seller

- 25.5.1. If a Seller (a **Defaulting Seller**) shall fail duly to transfer (or complete the transfer of) any Sale Shares to a Buyer in accordance with Article 25.4.4:
 - 25.5.1.1. the Company shall, as the agent of the Defaulting Seller appointed pursuant to Article 25.1.2.7), be authorised to transfer, and complete the transfer of, those Sale Shares (including, without limitation of the generality of the foregoing, to execute and deliver any necessary stock transfer form and purchase agreement, where relevant);
 - 25.5.1.2. the Company may pay or receive (as the case may be) the necessary monies in respect of the Transfer Price (or any such instalment of the Transfer Price) in trust for the Defaulting Seller and the receipt by the Company of those monies shall constitute a good and valid discharge to the relevant Buyer;
 - 25.5.1.3. against receipt by the Company of those monies (in trust for the Defaulting Seller) and, notwithstanding (if such is the case) that the Defaulting Seller has failed to delivery up the relevant share certificate(s), the Company shall cause the Buyer to be registered as the holder of those Sale Shares and, after such registration, the validity of the proceedings shall not be questioned by any person; and
 - 25.5.1.4. the Company shall not be required to pay the monies in respect of the Transfer Price to the Defaulting Seller until he shall, in respect of the Sale Shares, have delivered a share certificate, or suitable indemnity, and necessary documentation (including any transfers and, where relevant, any purchase agreement) to the Company.

25.6. Buy back by the Company or Employee Trust

- 25.6.1. Subject to Article 25.6.5, if the Company or the Employee Trust (as the case may be) has sufficient cash to do so, the Board may determine, by notice in writing served on the Seller, such notice being given within 10 business days of the Transfer Price being agreed or determined in accordance with these Articles (the **Buy Back Notice**):
 - 25.6.1.1. that the Sale Shares shall be allocated at the Transfer Price to the Company, subject to the Company being legally able to do so in accordance with the Act and subject to Article 25.6.5; and/or

- 25.6.1.2. if the Sale Shares are B Ordinary Shares, shall be allocated at the Transfer Price to the Employee Trust.
- 25.6.2. The Buy Back Notice shall state the number of the Sale Shares agreed to be purchased by the Company or Employee Trust (as the case may be) and shall specify a place and time and date at which the sale and purchase shall be completed. Upon the giving by the Company of any such Buy Back Notice the Seller shall be unconditionally bound (subject only to due payment of the Transfer Price, subject to Article 25.6.5) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms.
- 25.6.3. Subject to compliance with the terms of the Shareholders' Agreement, if the Board so determines, any Shares allocated to an Employee Trust under Article 25.6.1.2 may be transferred to any person who is an employee or director of the Company provided such transfer is in accordance with the rules of the Employee Trust.
- 25.6.4. If a Seller (a **Defaulting Buy Back Seller**) shall fail duly to transfer (or complete the transfer of) any Sale Shares to the Company in accordance with Article 25.6.2:
- 25.6.4.1. the Company shall, as the agent of the Seller be appointed pursuant to Article 25.1.2.7), be authorised to transfer, and complete the transfer of, those Sale Shares (including, without limitation of the generality of the foregoing, to execute and deliver any necessary buy back agreement and any stock transfer form in respect thereof);
- 25.6.4.2. the Company shall pay the necessary monies in respect of the Transfer Price into a separate account and hold the same on trust for the Defaulting Buy Back Seller;
- 25.6.4.3. notwithstanding (if such is the case) that the Defaulting Buy Back Seller has failed to deliver up the relevant share certificate(s), the Company shall cause the relevant Sale Shares subject to the Buy Back Notice to be cancelled and, after such cancellation, the validity of the proceedings shall not be questioned by any person; and
- 25.6.4.4. the Company shall not be required to pay the necessary monies in respect of the Transfer Price to the Defaulting Buy Back Seller until he shall, in respect of the Sale Shares, have delivered a share certificate, or suitable indemnity, and necessary documentation (including any buy back agreement and any transfer) to the Company.
- 25.6.5. The Board (excluding any director who is also a Seller) may, in its absolute discretion having regard to the ongoing working capital requirements of the Group and only where the Transfer Price is not covered by insurance, subject always to legal requirements, direct that the payment of the Transfer Price may be paid by the Company or the Employee Trust (as the case may be) to the Seller in instalments over a maximum of 60 months (such period commencing on the date on which the Loan Notes are repaid in full) and, subject always to the foregoing provision relating to the Loan Notes remaining outstanding, the Company or the Employee Trust (as the case may be) shall be obliged to act in good faith to pay such instalments as quickly as reasonably practicable after the date on which the Loan Notes are repaid in full. In the case where the Company serves a Buy Back Notice and the Board exercises its discretion to allow the Transfer Price to be paid in instalments pursuant to this Article 25.6.5, the Sale Shares shall be purchased by the Company in tranches determined in good faith by the Board in order that the Transfer Price is divided between such tranches and accordingly such amount of the Transfer Price relating to each tranche is paid in full on completion of the purchase of those Sale Shares by the Company in order to comply with the requirements of the Act in respect of the Company repurchasing its own shares (or structured in such other way as shall ensure compliance with the Act).

25.6.6. In circumstances where any Shares are purchased by the Company in tranches, the Sale Shares shall, for such time as they are held by the Seller pending repurchase by the Company, cease to confer on the Seller any rights to:

25.6.6.1. receive dividends or other distributions otherwise attaching to those Shares; or

25.6.6.2. to participate in any future issue of Shares issued in respect of those Sale Shares.

The Directors (other than the Seller) may with unanimous consent of the Shareholders (other than the Seller) reinstate the rights referred to in Article 25.6.6 at any time.

25.7. **Transfers following exhaustion of pre-emption rights**

25.7.1. If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this Article 25 such Shares may not be transferred to the person named in the Transfer Notice or any other person.

25.7.2. On the transfer of any Shares as permitted by these Articles any Share transferred to an existing member shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the existing member.

26. **DRAG ALONG RIGHTS**

26.1. Notwithstanding anything to the contrary in these Articles, if any member (on his own or acting in concert with one or more other members) (the **Proposing Shareholder(s)**) proposes to sell or transfer Shares (the **Selling Shares**) which together confer 85% or more of the total votes exercisable in a poll in a general meeting of the Company at the time of the proposed sale or transfer to a person who is a bona fide third party buyer at arms' length (the **Proposed Buyer**) the following provisions of this Article 26 shall apply.

26.2. The Proposing Shareholder(s) shall have the right to give the Company prior written notice (the **Selling Notice**) of the proposed sale or transfer (**Proposed Sale**). The Selling Notice will include details of:

26.2.1. the Selling Shares;

26.2.2. the proposed price for each Selling Share to be paid by the Proposed Buyer and the material terms and conditions applicable to the Proposed Sale;

26.2.3. details of the Proposed Buyer; and

26.2.4. the place, date and time of completion of the Proposed Sale (the **Drag Along Completion**).

26.3. Immediately on receipt of a Selling Notice, the Company shall give notice in writing (the **Drag Along Notice**) to each of the members other than the Proposing Shareholder(s) (the **Drag Along Shareholders**) giving the details contained in the Selling Notice and requiring each of them at the Drag Along Completion to sell to the Proposed Buyer all Shares held by them.

26.4. **Matching right**

26.4.1. Any Non-A Shareholder Group (**Non-A Shareholder Group Matching Shareholders**), subject to the provisions of Article 26.4.4, shall have an option to purchase all (but not some only) of the Shares in issue at the same price and on the same or equivalent terms as the Proposed Sale by delivering a notice to the Company and the holders of A Ordinary Shares of the intention to purchase all such Shares (**Non-A Shareholder Group Matching Right Purchase Notice**) within 10 business

days of the Company delivering the Drag Along Notice to the Drag Along Shareholders.

- 26.4.2. All Shareholders shall transfer their Shares pursuant to Article 26.4.1 to the Non-A Shareholder Group Matching Shareholders' Vehicle within 20 business days of the Non-A Shareholder Group Matching Shareholders delivering the Non-A Shareholder Group Matching Right Purchase Notice to the Company and to the holders of A Shares and the transfer of the Shares to the Non-A Shareholder Group Matching Shareholders' Vehicle shall be completed in accordance with the terms and conditions of the relevant Proposed Sale.
- 26.4.3. If, where permitted, a Non-A Shareholder Group has not delivered a Non-A Shareholder Group Matching Right Purchase Notice within the relevant period specified in Article 26.4.1, then the Drag Along Notice shall take effect and the Drag Along Completion shall take place not less than 10 business days of the end of such relevant period, and the Drag Along Shareholders shall sell their Shares to the Proposed Buyer.
- 26.4.4. Where a Non-A Shareholder Group intends to purchase Shares pursuant to a matching right under this Article 26.4, such Non-A Shareholder Group must make an offer through a single special purpose vehicle (the **Non-A Shareholder Group Matching Shareholders' Vehicle**), which is formed for the purchase of such Shares and which is owned by the shareholders comprised within the Non-A Shareholder Group intending to make such a purchase, and the Non-A Shareholder Group Matching Shareholders' Vehicle must provide the holders of A Ordinary Shares with (a) an unconditional equity and/or debt commitment letter or other equivalent documentation which confirms (to the satisfaction of the holders of A Ordinary Shares) that the Non-A Shareholder Group Matching Shareholders' Vehicle will have the funds required in order to complete the transfer and purchase the entire issued share capital of the Company and (b) such other information relating to the Non-A Shareholder Group Matching Shareholders' Vehicle as the holders of A Ordinary Shares may reasonably request to satisfy themselves that the Non-A Shareholder Group Matching Shareholders' Vehicle is capable of completing the purchase on the same terms as the Proposed Sale.
- 26.4.5. The provisions of Articles 26.6 and 26.7 shall apply to the exercise of the matching rights set out in this Article 26.4, mutatis mutandis.
- 26.5. A Proposing Shareholder may withdraw a Selling Notice any time prior to actual Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect.
- 26.6. Each Drag Along Shareholder who is given a Drag Along Notice shall, in the event of the Proposed Sale proceeding, sell (or procure the sale of) all the Shares held by him to the Proposed Buyer at the time of the Drag Along Completion (or at such other time as the Proposing Shareholders and the Proposed Buyer shall agree) at the price per Selling Share as set out in the Drag Along Notice and otherwise on the same terms as the sale of Selling Shares.
- 26.7. If any of the Drag Along Shareholders shall fail to comply with the terms of Article 26.6 in any respect (each a **Defaulting Shareholder**):
 - 26.7.1. the Company shall be unconditionally constituted the agent of each Defaulting Shareholder for the sale of the Shares referred to in his Drag Along Notice in accordance with that notice and shall be authorised to transfer, and complete the transfer of, those Shares (including, without limitation of the generality of the foregoing, to execute and deliver any stock transfer form in respect thereof);

- 26.7.2. the Company may receive the necessary purchase money in trust for each Defaulting Shareholder and the receipt by the Company of that purchase money shall constitute a good and valid discharge to the Proposed Buyer;
 - 26.7.3. against receipt by the Company of the purchase money (in trust for the Defaulting Shareholder), and notwithstanding (if such is the case) that the Defaulting Shareholder has failed to deliver up the relevant share certificate(s), the Company shall cause the Proposed Buyer to be registered as the holder of the relevant Shares and, after such registration, the validity of the proceedings shall not be questioned by any person; and
 - 26.7.4. the Company shall not be required to pay the purchase monies to a Defaulting Shareholder until he shall, in respect of the Shares subject to the Drag Along Notice, have delivered a share certificate or suitable indemnity and necessary transfers to the Company.
- 26.8. The expression **price per Selling Share** used in Articles 26.2 and 26.6 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the Proposing Shareholders for the Shares in question 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 specified Shares and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding. For the avoidance of doubt, the Sale Proceeds shall be distributed to all Shareholders in accordance with Article 17.1.

27. TAG ALONG RIGHTS

- 27.1. If any member (on his own or acting in concert with one or more other members) (the **Selling Party**) proposes to sell or transfer Shares which together confer 85% or more of the total votes exercisable in a poll in a general meeting of the Company at the time of the proposed sale or transfer to any person or persons other than another member, the Selling Party shall procure, before the sale or transfer that each proposed buyer makes a bona fide written offer (a **Tag Along Offer**) to each of the other members (each a **Tag Along Shareholder**) to buy that proportion of the Shares held by each Tag Along Shareholder which is equal to the proportion represented by the number of Shares which each of the Selling Parties are proposing to sell as against all the Shares held by the Selling Parties at the time of the proposed sale or transfer for the same price per Share and otherwise on the same terms and conditions as those applying to the proposed sale or transfer by the Selling Party of his Shares.
- 27.2. Each Tag Along Offer shall specify:
- 27.2.1. the price for the relevant Shares and any other principal terms and conditions of the sale or transfer; and
 - 27.2.2. the period (being not less than 20 business days from the service of the Tag Along Offer) for acceptance by each Tag Along Shareholder).
- 27.3. If, within the period specified in the Tag Along Offer any Tag Along Shareholder accepts the offer in writing, then the Selling Party shall procure that the sale by that Tag Along Shareholder of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Selling Party's Shares.
- 27.4. Any acceptance by a Tag Along Shareholder of a Tag Along Offer shall be irrevocable. But no sale of that Tag Along Shareholder's Shares pursuant to its acceptance shall take place unless and until the sale of the Selling Party's Shares is completed.
- 27.5. The expression **price per Share** used in Articles 27.1 and 27.3 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise)

received or receivable by the Selling Party for the Selling Party's Shares in question 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 specified Shares and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding. For the avoidance of doubt, the Sale Proceeds shall be distributed to all Shareholders in accordance with Article 17.1.

28. PROCEEDINGS AT GENERAL MEETINGS

- 28.1. No business shall be transacted at a general meeting unless a quorum is present. Subject to Article 28.2, three Qualifying Persons shall be a quorum. Paragraph 38 of the Model Articles shall not apply to the Company.
- 28.2. If, and for so long as, the Company has only one member one Qualifying Person shall be a quorum at any general meeting of the Company.
- 28.3. An adjourned meeting shall, unless all Qualifying Persons agree otherwise, be adjourned to a date and time at least five business days after the original meeting. If, at an adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum. Paragraph 41 of the Model Articles shall be modified accordingly.
- 28.4. A poll on a resolution may be demanded by any person having the right to vote on the resolution. Paragraph 44 of the Model Articles shall be modified accordingly.

29. PROXIES

- 29.1. Proxies may only be validly appointed by a notice in writing (a **Proxy Notice**) which:
 - 29.1.1. states the name and address of the member appointing the proxy;
 - 29.1.2. identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 29.1.3. is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 29.1.4. is delivered to the Company in accordance with the Articles not less than 24 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

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.

- 29.2. Paragraph 45(1) of the Model Articles shall not apply to the Company.

30. NOTICES

- 30.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - 30.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by

reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending (and the sending party receives a confirmation of delivery from the courier service provider));

- 30.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 30.1.3. if properly addressed and sent or supplied by electronic means, two hours after the document or information was sent or supplied; and
- 30.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purpose of this Article, no account shall be taken of any part of a day that is not a business day.

- 30.2. In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

31. DIRECTORS' INDEMNITY

- 31.1. Subject to the provisions of the Act (but so that this Article 31.1 does not extend to any matter insofar as it would cause this Article or any part of it to be void thereunder), the Company:

- 31.1.1. shall, without prejudice to any indemnity to which the person concerned may otherwise be entitled, indemnify any director or other officer (other than an auditor) of the Company and any associated company against all losses and liabilities incurred by him in the actual or purported execution, or discharge, of his duties in relation to:

- 31.1.1.1. the Company;

- 31.1.1.2. any associated company; and

- 31.1.1.3. any occupational pension scheme of which the Company or any associated company is a trustee

including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings (whether civil or criminal) in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company, any associated company or any occupational pension scheme of which the Company or any associated company is a trustee; and

- 31.1.2. may, without prejudice to the provisions of Article 31.1.1, purchase and maintain insurance for any person who is or was a director or officer of the company or any associated company against any loss or liability which he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust or otherwise in relation to the Company, any associated company, any employees' share scheme of the Company or of any associated company or any occupational pension scheme of which the Company or any associated company is a trustee

where for the purposes of this Article 31.1, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

31.2. Paragraphs 52 and 53 of the Model Articles shall not apply to the Company.