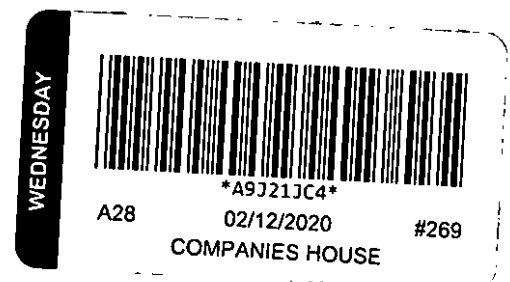


**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**FIRST CIRCLE PACKAGING LIMITED**



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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**FIRST CIRCLE PACKAGING LIMITED (Company)**

**INTRODUCTION**

**1. INTERPRETATION**

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

**A Ordinary Share:** an ordinary share of £0.10 in the capital of the Company designated as an A Ordinary Share.

**A Director:** any director appointed to the Company by holders of the A Ordinary Shares in accordance with these Articles.

**Accepting Shareholder:** has the meaning given in article 15.2(d).

**Act:** the Companies Act 2006.

**acting in concert:** has the meaning set out in the City Code on Takeovers and Mergers in force for the time being.

**Articles:** the Company's articles of association for the time being in force.

**B Ordinary Share:** an ordinary share of £0.10 in the capital of the Company designated as a B Ordinary Share.

**Bad Leaver:** has the meaning given in article 16.9(a).

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

**B Director:** any director appointed to the Company by holders of B Ordinary Shares in accordance with these Articles.

<b>Change of Control:</b>	the acquisition (by any means) by a Third Party Purchaser of any interest in any shares if, upon completion of that acquisition, the Third Party Purchaser together with any person Connected with or acting in concert with that Third Party Purchaser (other than a Shareholder) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company.
<b>Commencement Date:</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to a shareholder who was employed by the Company's Group on 13 December 2019, means 13 December 2019; and</li> <li>(b) in relation to any shareholder who commenced their employment with the Company's Group 13 December 2019, means the date that such person commenced their employment with the Company's Group.</li> </ul>
<b>Compulsory Transfer Notice:</b>	has the meaning given in article 16.3.
<b>Conflict:</b>	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
<b>Connected:</b>	has the meaning given in section 252 of the Act.
<b>Controlling Shareholder:</b>	a registered holder for the time being of not less than 70% in nominal value of the equity share capital of the Company from time to time.
<b>Drag Along Acquiror:</b>	has the meaning given in article 15.1.
<b>Drag Along Notice:</b>	has the meaning given in article 15.1(a).
<b>Drag Along Option:</b>	has the meaning given in article 15.1.
<b>Drag Completion Date:</b>	has the meaning given in article 15.1(d).
<b>Dragged Shareholders:</b>	has the meaning given in article 15.1.

<b>Dragged Shares:</b>	has the meaning given in article 15.1.
<b>Eligible A Director:</b>	an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter).
<b>Eligible B Director:</b>	a B Director who would be entitled to vote on the matter at a meeting of directors (but excluding any B Director whose vote is not to be counted in respect of the particular matter).
<b>Eligible Director:</b>	any Eligible A Director or Eligible B Director (as the case may be).
<b>Good Leaver:</b>	has the meaning given in article 16.9(b).
<b>Group and Group Company:</b>	the Company and its subsidiaries, and the subsidiaries of such subsidiaries from time to time.
<b>holding company:</b>	has the meaning given in article 1.6.
<b>Leaving:</b>	has the meaning given in article 16.7(b).
<b>Listing:</b>	the successful application and admission of all or any of the shares in the capital of the Company, (or any securities representing such shares), to the Official List, to trading on the AIM Market operated by London Stock Exchange plc or the Nasdaq National Stock Market of Nasdaq Inc. or to any other recognised investment exchange (as defined in section 285 of the UK Financial Services and Markets Act 2000 (as amended)).
<b>Majority Shareholding:</b>	has the meaning given in article 15.1.
<b>Market Value:</b>	has the meaning given in article 16.8.

<b>Model Articles:</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ), as amended prior to the date of adoption of these Articles, and any reference to a numbered Model Article is a reference to that article of the Model Articles.
<b>Non-Attending Eligible A Director:</b>	has the meaning given in article 3.2.
<b>Offer:</b>	has the meaning given in article 16.1.
<b>Offer Shares:</b>	has the meaning given in article 16.1.
<b>Proceeds:</b>	has the meaning given in article 11.2(c).
<b>Proposed Transfer:</b>	has the meaning given in article 15.2.
<b>Sale:</b>	means either: <ul style="list-style-type: none"> <li>(a) a sale of all or substantially all of the assets of the Group;</li> <li>(b) a Change of Control; or</li> <li>(c) a Listing.</li> </ul>
<b>Sale Date:</b>	has the meaning given in article 15.2(b).
<b>subsidiary:</b>	has the meaning given in article 1.6.
<b>Tag Along Acquiror:</b>	has the meaning given in article 15.2.
<b>Tag Along Offer:</b>	has the meaning given in article 15.2(a).
<b>Tag Along Offer Shares:</b>	has the meaning given in article 15.2.
<b>Tag Along Option:</b>	has the meaning given in article 15.2.
<b>Tag Notice:</b>	has the meaning given in article 15.2(b).
<b>Tagging Shareholders:</b>	has the meaning given in article 15.2.

**Third Party Purchaser:** means a bona fide arm's length purchaser who is not a shareholder for the time being or a person Connected with such a shareholder.

- 1.2 Unless expressly provided otherwise 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. The final paragraph of Model Article 1 shall not apply to the Company.
- 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 a numbered article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise in these Articles, 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:
- (a) any subordinate legislation made under it, whether before or after the date of adoption of these Articles; and
  - (b) any amendment or re-enactment, whether before or after the date of adoption of these Articles, and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

This article 1.5 shall not apply to the definition of Model Articles in article 1.1.

- 1.6 A reference to a holding company or subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), by way of security or in connection with the taking of security, or (b) its nominee.
- 1.7 Any words following the terms including, include, in particular 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 A reference to a **day** is to a period of twenty four hours running from midnight on the previous day.

- 1.9 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.10 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.
- 1.11 Model Articles 8(3), 11(2) and (3), 13, 14, 26(5), 38, 40(2), 43(2), 44(2)(a), 44(3)(b), 44(4), 52 and 53 shall not apply to the Company.
- 1.12 Model Article 7 shall be amended by the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.13 In Model Article 8(2), the words "copies of which have been signed by each eligible director" shall be deleted and replaced with the words "of which each Eligible Director has signed one or more copies".
- 1.14 Model Article 20 shall be amended by the insertion of the words "and the company secretary (if any)" before the words "properly incur".
- 1.15 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.16 In Model Article 26(1) the words "Subject to the provisions contained in these Articles" shall be inserted at the beginning of that Model Article.
- 1.17 In Model Article 30(4), the words "the terms on which shares are issued" shall be deleted and replaced with "the rights attached to any shares".
- 1.18 In Model Article 32(a), the words "the terms on which the share was issued" shall be deleted and replaced with "the rights attached to the share".
- 1.19 Model Article 44(3) 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 Model Article.

## **DIRECTORS**

### **2. DIRECTORS' GENERAL AUTHORITY**

Subject always to a director's duties and obligations pursuant to the Act, any or all powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as a Controlling Shareholder may from time to time by notice in writing to the Company prescribe.



### 3. **QUORUM FOR DIRECTORS' MEETINGS**

- 3.1 Subject to article 3.2 and 3.3, the quorum for the transaction of business at a meeting of directors (including adjourned meetings) is two Eligible A Directors and one Eligible B Director.
- 3.2 If an Eligible A Director is unable to attend a meeting of directors (**Non-Attending Eligible A Director**), the quorum for the transaction of business at such meeting of directors (including adjourned meetings) is one Eligible A Director (who shall additionally carry the right to vote for the Non-Attending Eligible A Director) and one Eligible B Director.
- 3.3 For the purposes of any meeting (or part of a meeting):
- (a) held pursuant to article 5 to authorise a Conflict; or
  - (b) at which a Director is not permitted to vote on any resolution in accordance with article 5.3 as a result of a Conflict,

the quorum for such meeting (or part of a meeting) shall be one Eligible A Director.

### 4. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 4.1 Subject to sections 177(5) and (6) and sections 182(5) and (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:
- (a) 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;
  - (b) 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 he is interested;
  - (c) 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 he is interested;
  - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
  - (e) 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

- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person Connected with him) 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 his duty under section 176 of the Act.
- 4.2 The provisions of article 4.1(a) to article 4.1(f) (inclusive) are subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 5.3.
- 5. DIRECTORS' CONFLICTS OF INTEREST**
- 5.1 The directors may, in accordance with the requirements set out in this article 5, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 5.2 Any authorisation under this article 5 will be effective only if:
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 5.3 Any authorisation of a Conflict under this article 5 may (whether at the time of giving the authorisation or subsequently) impose on the Interested Director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the Conflict and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions.
- 5.4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation.
- 5.5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any member of the Group and no further authorisation under article 5.1 shall be necessary in respect of any such interest.

- 5.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit that he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles, by the Company or by these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

**6. 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 a form that enables the directors to retain a copy of such decisions.

**7. NUMBER OF DIRECTORS**

The number of directors shall be five, made up of three A Directors and two B Directors.

**8. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 8.1 The holder of a majority of the A Ordinary Shares for the time being shall be entitled to appoint three persons to be A Directors of the Company and a majority of the holders of the B Ordinary Shares shall be entitled to appoint two persons to be B Directors of the Company.
- 8.2 Subject to article 8.3, any A Director may at any time be removed from office by the holder of a majority of the A Ordinary Shares and any B Director may at any time be removed from office by a majority of the holders of the B Ordinary Shares. Any B Director who is an employee of a Group Company and who ceases to be an employee shall be deemed to have resigned from his office as a director from the date he or she ceases to be employed by a Group Company.
- 8.3 If there is a delay in the removal of a B Director pursuant to article 8.2 which, in the opinion of the holder of a majority of the A Ordinary Shares (acting reasonably) would be detrimental to the business of the Company, the holder of a majority of the A Ordinary Shares shall remove such B Director and appoint another person to be a B Director until such time as a replacement B Director is appointed by a majority of the holders of the B Ordinary Shares.
- 8.4 If any A Director or any B Director shall die or be removed from or vacate office for any reason, the holder of a majority of the A Ordinary Shares (in the case of an A Director) or subject to article 8.3 a majority of the holders of the B Ordinary Shares (in the case of a B Director) shall appoint in his or her place another person to be an A Director or a B Director (as the case may be).

- 8.5 Any appointment or removal of a director pursuant to this article 8 shall be in writing and signed by or on behalf of the holder of a majority of the A Ordinary Shares or a majority of the holders of the B Ordinary Shares (as the case may be) and served on each shareholder and the Company at its registered office and on the director, in the case of his or her removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice (subject to article 8.3 in the case of a B Director).
- 8.6 If no A Ordinary Shares or B Ordinary Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation.
- 8.7 No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided under the Act.
- 8.8 Any removal of a director pursuant to this article 8 shall be without prejudice to any claim for breach of contract under any employment agreement between the Company and the director so removed
- 8.9 The shareholder(s) removing a director shall indemnify and keep indemnified the Company against any claim connected with the director's removal from office.

**9. SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and on 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.

**SHARES AND SHAREHOLDERS**

**10. SHARES**

- 10.1 The share capital of the Company as at the date of adoption of these articles is 10,000 A Ordinary Shares and 2,120 B Ordinary Shares.
- 10.2 The A Ordinary Shares and B Ordinary Shares shall rank pari passu in all respects, save as expressly set out in these Articles, but shall constitute separate classes of shares in the capital of the Company.

**11. CAPITAL**

- 11.1 Subject to any shareholders' agreement, on a return of capital on liquidation or otherwise (including as a result of a Sale) the surplus assets of the Company remaining after payment of

its liabilities shall be applied as though they were amounts available for distribution to the shareholders in accordance with the Model Articles.

- 11.2 The Company and each of the shareholders undertakes with each other that, to the extent they are able, where the Company is sold to a Third Party Purchaser, each of the shareholders and the Company shall procure that the distributions arising upon a Sale (as the case may be) having deducted:

- (a) all bank debt;
- (b) any loans from shareholders and other debt owed by the Company to any shareholder or any third party at such a time (including, if applicable, any loan notes or other loan securities then in issue, in each case to the extent repaid or repayable on the Sale); and
- (c) any transaction costs associated with the Sale which are payable by the Company or any entity in the same group as the Company (**Proceeds**),

shall be paid to the shareholders in accordance with article 11.1.

## 12. **ISSUE OF NEW SHARES**

The directors shall not exercise any power of the Company to allot shares or other securities in, or to grant rights to subscribe for, or convert into, shares or other securities of, the Company without the prior written consent of a Controlling Shareholder (if any).

## 13. **SHARE TRANSFERS**

- 13.1 Subject to article 13.2, and excluding a transfer of shares made in accordance with articles 14, 15 or 16, the directors may refuse to register the transfer of a share to any person other than a transfer of all or any A Ordinary Shares, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 13.2 The directors shall not decline (nor shall any sanction of the directors be required) to register any transfer of shares, nor may they suspend registration of any shares, where such transfer is executed by any person to whom such shares have been charged by way of security, or by any nominee of such person, pursuant to a power of sale under such security, and a certificate by any such person or any employee of any such person that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.

**14. RESTRICTED TRANSFERS OF B ORDINARY SHARES**

14.1 Subject to any shareholders' agreement, the holders of B Ordinary Shares may not transfer, create any Encumbrance over or otherwise dispose of the whole or any part of his interest in, or grant any option over, any such shares to any person except:

- (a) with the prior written consent of the Controlling Shareholder; or
- (b) where required or permitted to do so by these Articles.

14.2 The Controlling Shareholder may apply any conditions to its consent to any transfer of shares by a holder of B Ordinary Shares as it sees fit in its absolute discretion.

14.3 For the avoidance of doubt, there shall be no restrictions on the transfer of A Ordinary Shares save to the extent that article 15.2 applies.

**15. DRAG AND TAG RIGHTS OF SHAREHOLDERS**

15.1 If the Controlling Shareholder wishes to transfer all of its shares (**Majority Shareholding**) to a Third Party Purchaser (**Drag Along Acquiror**), the Controlling Shareholder shall have the option to require the holders of all the remaining A Ordinary Shares and/or B Ordinary Shares (**Dragged Shareholders**) to transfer all their A Ordinary Shares and/or B Ordinary Shares (**Dragged Shares**) to the Drag Along Acquiror or as the Drag Along Acquiror directs on the same financial terms and conditions as those accepted by the Controlling Shareholder (including, without limitation, those terms set out in article 11.2, if applicable) and in accordance with this article 15.1 as set out below (**Drag Along Option**):

- (a) the Controlling Shareholder may exercise the Drag Along Option by giving written notice to that effect to the Dragged Shareholders (**Drag Along Notice**) at any time before the transfer of the Majority Shareholding to the Drag Along Acquiror. The Drag Along Notice shall specify:
  - (i) that the Dragged Shareholders are required to transfer all their Dragged Shares pursuant to this article 15.1;
  - (ii) the person to whom the Dragged Shares are to be transferred;
  - (iii) the consideration payable for each Dragged Share; and
  - (iv) the proposed date of the transfer;
- (b) once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Controlling Shareholder has not sold the Majority Shareholding to the Drag Along Acquiror within 60 Business Days of serving the Drag

Along Notice. The Controlling Shareholder may serve further Drag Along Notices following the lapse of any particular Drag Along Notice;

- (c) no Drag Along Notice shall require a Dragged Shareholder to agree to any terms except those specifically set out in this article 15.1;
- (d) completion of the sale of the Dragged Shares shall take place on the Drag Completion Date. **Drag Completion Date** means the date of completion of the sale of the Majority Shareholding unless:
  - (i) all of the Dragged Shareholders and the Controlling Shareholder agree otherwise in which case the Drag Completion Date shall be the date agreed in writing by all of the Dragged Shareholders and the Controlling Shareholder; or
  - (ii) that date is less than 30 Business Days after the date on which the Drag Along Notice is served, in which case the Drag Completion Date shall be the 30<sup>th</sup> Business Day after service of the Drag Along Notice;
- (e) on or before the Drag Completion Date, the Dragged Shareholders shall execute and deliver stock transfer forms for the Dragged Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates acceptable to the Company) to the Company and warrant that they are selling the Dragged Shares with full title guarantee;
- (f) on the Drag Completion Date, the Company shall pay the Dragged Shareholders, on behalf of the Drag Along Acquiror, the amounts due pursuant to article 15.1(a) to the extent that the Drag Along Acquiror has put the Company in the requisite funds. The Company's receipt for the consideration shall be a good discharge to the Drag Along Acquiror. The Company shall hold the amounts due to the Dragged Shareholders on trust for the Dragged Shareholder's without any obligation to pay interest;
- (g) to the extent that the Drag Along Acquiror has not on the Drag Completion Date put the Company in funds to pay the consideration due at completion of the sale of the Dragged Shares, the Dragged Shareholders shall be entitled to return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Dragged Shares and the Dragged Shareholders shall be entitled to treat the Drag Along Notice as having lapsed; and
- (h) if any Dragged Shareholder does not, on or before the Drag Completion Date, execute and deliver transfer(s) in respect of all of the Dragged Shares held by it, each defaulting Dragged Shareholder shall be deemed to have irrevocably appointed any director of the Company or any other person nominated for the purpose by the Controlling Shareholder to be its agent to execute all necessary transfer(s) on its

behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Dragged Shares, and to deliver such transfer(s) to the Drag Along Acquiror (or as it may direct) as the holder thereof. After the Drag Along Acquiror (or its nominee) has been registered as the holder of the Dragged Shares, 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 15.1.

15.2 If the Controlling Shareholder wishes to transfer all of its shares (**Proposed Transfer**) to a Third Party Purchaser (**Tag Along Acquiror**), any or all of the remaining shareholders holding A Ordinary Shares and/or B Ordinary Shares (**Tagging Shareholders**) shall have the option to require the Controlling Shareholder to procure a transfer of all but not some of the A Ordinary Shares and/or B Ordinary Shares of any Tagging Shareholder who elects to have their A Ordinary Shares and/or B Ordinary Shares sold to the Tag Along Acquiror (**Tag Along Offer Shares**) for a consideration and on terms and conditions not less favourable than those which applied to the transfer by the Controlling Shareholder and in accordance with this article 15.2 as set out below (**Tag Along Option**):

- (a) before making a Proposed Transfer, the Tag Along Option shall be exercised by the Controlling Shareholder procuring that the Tag Along Acquiror makes an offer (**Tag Along Offer**) to the Tagging Shareholders to purchase all of the Tag Along Offer Shares held by them;
- (b) the Tag Along Offer shall be made by written notice (**Tag Notice**), at least 30 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Tag Notice shall set out:
  - (i) the identity of the Tag Along Acquiror;
  - (ii) the consideration payable and other terms and conditions of payment; and
  - (iii) the Sale Date;
- (c) if the Tag Along Acquiror fails to make the Tag Along Offer to all of the Tagging Shareholders, the Controlling Shareholder shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of any shares effected in accordance with the Proposed Transfer; and
- (d) if the Tag Along Offer is accepted by any Tagging Shareholder (**Accepting Shareholder**) in writing within 15 Business Days of receipt of the Tag Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Tag Along Offer Shares held by Accepting Shareholders.



**16. OBLIGATORY TRANSFERS OF B ORDINARY SHARES**

- 16.1 If a shareholder (other than the Controlling Shareholder) ceases to hold an office or employment or contract (either directly or indirectly) with the Company or a Group Company or a subsidiary of a Group Company, that shareholder shall be deemed to have made an offer (**Offer**) to the Company to transfer to the Company, or such person or persons as the Controlling Shareholder shall nominate, all of the B Ordinary Shares the shareholder possesses (**Offer Shares**). If the Offer Shares are to be transferred to the Company and not another person, such transfer shall be implemented by way of an acquisition by a limited company of its own shares pursuant to Part 18 of the Act and the Offer Shares shall be cancelled on completion of such acquisition. Any reference to a transfer of B Ordinary Shares in this article 16 shall be deemed to include reference to a repurchase of B Ordinary Shares.
- 16.2 Any Offer shall be deemed to be made on the following terms and conditions:
- (a) that the transfer of the Offer Shares shall be made in accordance with (and subject to) the provisions of this article 16;
  - (b) that the consideration for the Offer Shares shall be as calculated in accordance with article 16.7; and
  - (c) that the Offer is irrevocable.
- 16.3 Within 10 Business Days following the determination of the consideration for the Offer Shares pursuant to article 16.7, the Company shall (and the shareholders shall procure that the Company shall) serve on the relevant shareholder notice (**Compulsory Transfer Notice**):
- (a) instructing them to transfer all of the Offer Shares to the Company or such person or persons as the Company shall nominate for a consideration calculated in accordance with article 16.7; and
  - (b) specifying a date for completion of the sale of the Offer Shares.
- 16.4 Following receipt of the Compulsory Transfer Notice, the shareholder is bound, upon payment of the consideration calculated in accordance with article 16.7 to deliver the relevant share certificate(s) and transfer the Offer Shares on the specified date for completion to the acquirer or to execute whatever agreements and documents are necessary to effect a repurchase of the Offer Shares.
- 16.5 If the shareholder fails to transfer or effect a repurchase of the Offer Shares pursuant to article 16.4 above:
- (a) any director of the Company shall be deemed to be duly appointed as the shareholder's agent to effect the sale of the Offer Shares in accordance with this

article 16 with full power to execute, complete and deliver, in the shareholder's name and on his behalf, all documents necessary to transfer the Offer Shares to the proposed acquirer or effect a repurchase of his Offer Shares under the notice served in accordance with article 16.3 above;

- (b) the appointment referred to in article 16.5(a) is irrevocable and is given to secure the performance of the shareholder's obligations under any employee shareholder agreement or employee participation statement;
- (c) any one director of the Company may receive and give a good discharge for the purchase monies on the shareholder's behalf and enter the name of the acquirer in the register of members as the holder of the Offer Shares so purchased by the acquirer or to effect the repurchase and cancel the Offer Shares in the register of members; and
- (d) the directors of the Company shall then pay the consideration monies into a separate bank account in the name of the Company or a Group Company until the shareholder sends his certificate for the Offer Shares (or an indemnity, in a form reasonably satisfactory to the directors of the Company, in respect of any lost certificate) to the Company at which point the shareholder shall be paid the consideration monies without interest and less any sums owed to the Company by the shareholder.

16.6 As from the date on which an Offer is deemed to have been made until the completion of the transfer or repurchase of the shares that are the subject of an Offer shall not be entitled to receive any further dividends, distributions or other returns of capital generally paid to shareholders.

16.7 The consideration for the Offer Shares shall be calculated in accordance with the following principles:

- (a) if the shareholder is a Bad Leaver, the lower of £0.10 pence per B Ordinary Share and the Market Value; or
- (b) if the shareholder is a Good Leaver the consideration per B Ordinary Share shall be based on the table below:

Date of leaving (Leaving)	Consideration
On or before the first anniversary of their Commencement Date	£0.10 pence per B Ordinary Share
Between the day after the first anniversary of their Commencement Date and the second anniversary of their Commencement Date (inclusive)	25% of the Market Value on Leaving

<b>Date of leaving (Leaving)</b>	<b>Consideration</b>
Between the day after the second anniversary of their Commencement Date and the third anniversary of their Commencement Date (inclusive)	50% of the Market Value on Leaving
Between the day after the third anniversary of their Commencement Date and the fourth anniversary of their Commencement Date (inclusive)	75% of the Market Value on Leaving
After the fourth anniversary of their Commencement Date	100% of the Market Value on Leaving

16.8 Where it falls to be calculated, the market value (**Market Value**) on Leaving of the relevant Offer Shares shall be determined as follows:

- (a) as agreed between the shareholder and the directors within 15 Business Days after the date the Offer is deemed given;
- (b) if not agreed in accordance with article 16.8(a) as determined by an expert (**Expert**), applying the principles set out in Article 16.8(e), in a certificate delivered to the Company within 20 Business Days of the Expert being appointed. Upon the Company receiving the certificate it shall immediately forward it onto the shareholder and any potential purchaser. The certificate shall state a figure, which in the Expert's reasonable opinion, reflects the true market value of the relevant B Ordinary Shares as at the date the Offer is deemed to have been made and the Expert shall, if the Company requires, apply a minority discount when calculating the market value of the Offer Shares;
- (c) for the purposes of article 16.8(b), the Expert shall be either the Group's auditors, or in the event they are unable or unwilling to act, an independent firm of accountants or valuers chosen and appointed by the directors of the Company;
- (d) the shareholder may, within 10 Business Days after receiving the Expert's certificate, serve notice on the Company requesting that the market value of the Offer Shares be recalculated by an independent expert (**Second Expert**), with such Second Expert being mutually chosen by the Company and the shareholder within 2 Business Days of receipt (or deemed receipt) of the shareholder's notice or failing agreement shall be appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales. The Second Expert shall be instructed to deliver a certificate on the same basis and to the same time frame (within 20 Business Days of appointment) as the Expert and the Second Expert shall, if the Company requires, apply a minority discount when calculating the market value of the Offer Shares;

- (e) the Market Value on Leaving shall be the price per B Ordinary Share determined by the Expert on the following bases and assumptions:
  - (i) valuing the share of Proceeds that the relevant shareholder would have received by way of distributions paid in relation to the relevant B Ordinary Shares in accordance with the Model Articles and article 11 upon an arm's-length sale of either the entire issued share capital of the Company or all, or substantially all, of the assets of the Company between a willing seller and a willing buyer as at the date the Compulsory Transfer Notice was served (or deemed served); and
  - (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (f) the Expert and/or the Second Expert shall act as an expert and not as an arbitrator;
- (g) the decision of any Expert shall be final and binding on the Company and the shareholder unless a Second Expert is appointed in which case the decision only of the Second Expert shall be final and binding on the Company and the shareholder;
- (h) the Expert and the Second Expert if applicable, may have access to all relevant documents of the Company, subject to any confidentiality restrictions, for the purposes of calculating the market value of the Offer Shares; and
- (i) the reasonable costs incurred in obtaining the certificate from the Expert and/or a Second Expert shall be borne by the Company or such Group Company as the directors of the Company shall determine.

16.9 For the purposes of this article 16:

- (a) a shareholder will be a “**Bad Leaver**” if the shareholder ceases to be, and is no longer continuing as, a director or employee of, or contracting party (either directly or indirectly) with, the Company or any Group Company or a subsidiary of a Group Company as a result of:
  - (i) the shareholder's resignation;
  - (ii) the shareholder being prohibited by law from being a director;
  - (iii) the shareholder having a bankruptcy order made against him;
  - (iv) the shareholder having made an arrangement or composition with his creditors generally in satisfaction of his debts;

- (v) the Company or relevant Group Company or relevant subsidiary of a Group Company having lawfully terminated the shareholder's employment or contract as a consequence of him being in material breach of the terms of his employment or engagement or contract and such breach is either not capable of remedy or, if remediable, has not been remedied within 14 days of notice of such breach having been given to the shareholder by the Company or relevant Group Company or relevant subsidiary of a Group Company with whom the shareholder is employed or engaged or contracted (either directly or indirectly);
  - (vi) the shareholder being guilty of gross misconduct;
  - (vii) in the Company's reasonable opinion, the shareholder having acted in a manner which has brought or is likely to bring the Company or any Group Company or a subsidiary of a Group Company into serious disrepute; or
  - (viii) the shareholder having dealt with or disposed of or attempted to deal with or dispose of any share or interest in it otherwise than in accordance with these Articles, or any shareholders' agreement, shareholder employment agreement or employee particulars statement (if applicable) whether or not for value; and
- (b) a shareholder will be a "Good Leaver" if the shareholder ceases to be, and is no longer continuing as, a director or employee of, or contracting party (either directly or indirectly) with, the Company or any Group Company or a subsidiary of a Group Company in circumstances where either:
- (i) he or she is not a Bad Leaver; or
  - (ii) the board of the Company, acting in its absolute discretion, determines that the shareholder is a Good Leaver.

## 17. QUORUM FOR GENERAL MEETINGS

17.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

17.2 Where the Company has only one shareholder for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum. In any other case, the quorum shall be:

- (a) a Controlling Shareholder present in person, by proxy or by authorised representative; or

- (b) if the Company does not have a Controlling Shareholder for the time being, any two shareholders present in person, by proxy or by authorised representative.

## **18. PROXIES**

- 18.1 Model Article 45(1)(d) 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".
- 18.2 Model Article 45(1) 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 Model Article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **19. CHANGE OF COMPANY NAME**

The name of the Company may be changed by:

- (a) a decision of the directors; or
  - (b) a special resolution of the shareholders,
- or otherwise in accordance with the Act.

### **20. MEANS OF COMMUNICATION TO BE USED**

- 20.1 Subject to article 20.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
  - (a) 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
  - (b) if sent by fax, at the time of transmission; or
  - (c) 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
  - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

- (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (g) 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; and
- (h) if deemed receipt under the previous paragraphs of this article 20.1 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.

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

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

## 21. INDEMNITY AND INSURANCE

21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, or regulatory investigation or action, in which judgment is given in his favour or in which he is acquitted or the proceedings are, or the investigation or action is, otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which

the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings, investigation, action or application referred to in article 21.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

21.2 This article 21 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law and any such indemnity is limited accordingly.

21.3 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.

21.4 In this article 21:

- (a) associated company means any member of the Group and associated companies shall be construed accordingly;
- (b) a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (c) 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), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).