

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES



ARTICLES OF ASSOCIATION

OF

PUKKA PIES LIMITED

CRN: 01008747

Adopted by Special Resolution on *20th September* 2023

 **SHAKESPEARE**MARTINEAU

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INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires the following expressions have the following meanings:

"the Act"	The Companies Act 2006;
"Articles"	the Company's articles of association for the time being in force;
"Bad Leaver"	an Employee Shareholder who becomes a Leaver in circumstances where he is not a Good Leaver;
"business day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
"Company"	means Pukka Pies Limited (Company Registration Number: 01008747);
"Conflict"	the meaning given in article 6.1;
"Controlling Interest"	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
"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 Shareholder"	a Shareholder (being a holder only of G Shares) who is an employee or director of the Company or any of its subsidiaries;
"Good Leaver"	<p>an Employee Shareholder who becomes a Leaver:</p> <ul style="list-style-type: none">(i) as a result of death, or retirement at normal retirement age;(ii) by reason of him (or his spouse or any of his children) suffering physical or mental illness and/or deterioration, which (1) the board of directors (acting reasonably) determine or (2) a qualified medical profession certifies, is sufficiently serious to prevent or limit the relevant person from fulfilling their normal employment duties or which otherwise seriously precludes or limits their earning capacity; or(iii) in circumstances where he has been dismissed from his employment where such dismissal constitutes wrongful or unfair dismissal;(iv) on or after 1st August 2027 holding G1 G3 or G4 Shares; or

(v) on or after 1st August 2024 holding G2 Shares.

"G Shares"	means together the G1 Shares, the G2 Shares, the G3 Shares and the G4 Shares;
"G1 Shares"	means G1 ordinary shares of £1.00 each in the capital of the Company;
"G2 Shares"	means G2 ordinary shares of £1.00 each in the capital of the Company;
"G3 Shares"	means G3 ordinary shares of £1.00 each in the capital of the Company;
"G4 Shares"	means G4 ordinary shares of £1.00 each in the capital of the Company;
"Hurdle Value"	£100,000,000 (one hundred million pounds);
"an Interested Director"	the meaning given in article 6.1;
"Leaver"	any person, being a holder of G Shares, who ceases for any reason to be a director or employee of the Company or any of its subsidiaries (other than if the board of directors have, with consent of the Employee Shareholder, determined that such person shall not be determined to be a Leaver);
"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 date of adoption of these Articles and "Model Article" will be construed accordingly;
"Option Agreement"	means a share option agreement between the Company and/or Parent Company and a holder of G Shares in connection with put and call options relating to G Shares;
"Ordinary Shares"	means ordinary shares of £1.00 each in the capital of the Company;
"Parent Company"	Claytonkemp Holdings Limited (registered in England no. 14051840)
"Sale"	the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with the buyer of those Shares together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

"Sale Proceeds"	means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Sale.
"Shareholder"	a holder for the time being of any Share or Shares (excluding the Company).
"Shares"	shares (of any class) in the capital of the Company including any Ordinary Shares or G Shares.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles will 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 will have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and will not affect the construction or interpretation of these Articles.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 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 will be construed as illustrative and will not limit the sense of the words preceding those terms.
- 1.8 The Model Articles will apply to the company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles.
- 1.9 Model Articles 8(3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and 17(3), 21, 44(2), 48, 52 and 53 respectively will not apply to the company.
- 1.10 Model Article 7 is amended by:
 - 1.10.1 the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
 - 1.10.2 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".
- 1.11 Model Article 20 is amended by the insertion of the words "and the secretary (if any)" before the words "properly incur".
- 1.12 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" are deleted and replaced with the words "evidence and indemnity".
- 1.13 Model Article 27(3) is amended by the insertion of the words ", subject to article 8," after the word "But".

- 1.14 Model Article 29 is amended by the insertion of the words", or the name of any person nominated under Model Article 27(2)," after the words "the transmittee's name".
- 1.15 Model Articles 31(a) to (d) (inclusive) are amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

DIRECTORS

2. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors will not be subject to any maximum but will not be less than one.

3. QUORUM FOR DIRECTORS' MEETINGS

- 3.1 Subject to articles 3.2 and 3.3, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 3.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 6.1 to authorise a director's conflict, 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) will be one eligible director.
- 3.3 If and for so long as the Company has a sole director, the director may exercise all the powers, duties, discretions and responsibilities conferred upon or vested in the directors by or under these Articles.

4. CASTING VOTE

If the numbers of votes for and against a proposal at a meeting of directors are equal the chairman or other director chairing the meeting will not have a casting vote.

5. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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:

- 5.1 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;
- 5.2 will be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- 5.3 will 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 contract or proposed contract in which he is interested;
- 5.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm will be entitled to remuneration for professional services as if he were not a director;
- 5.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 5.6 will not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him, as defined in section 252 of the Act) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement will be liable to

be avoided on the grounds of any such interest or benefit nor will the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

6. DIRECTORS' CONFLICTS OF INTEREST

- 6.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation 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 ("Conflict").
- 6.2 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 6.3 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 6.4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 6.4.1 disclose such information to the directors or to any director or other officer or employee of the company; or
 - 6.4.2 use or apply any such information in performing his duties as a director where to do so would amount to a breach of that confidence.
- 6.5 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 which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (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.

7. RECORDS OF DECISIONS TO BE KEPT

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

8. APPOINTMENT OF DIRECTORS

- 8.1 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have had 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.
- 8.2 For the purposes of article 8.1, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived the older shareholder.

9. SECRETARY

The directors may (but are not obliged to) appoint any person who is willing to act to be the secretary 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.

LIEN

10. COMPANY'S LIEN OVER SHARES

- 10.1 The company has a lien ("the company's lien") over every share, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future.
- 10.2 The company's lien over a share:
- 10.2.1 takes priority over any third party's interest in that share; and
 - 10.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 10.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien will not be subject to it, either wholly or in part.

11. ENFORCEMENT OF THE COMPANY'S LIEN

- 11.1 Subject to the provisions of this article, if:
- 11.1.1 a lien enforcement notice has been given in respect of a share; and
 - 11.1.2 the person to whom the notice was given has failed to comply with it, the company may sell that share in such manner as the directors decide.
- 11.2 A lien enforcement notice:
- 11.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - 11.2.2 must specify the share concerned;
 - 11.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - 11.2.4 must be addressed either to the holder of the share or to a transmittee of that holder; and
 - 11.2.5 must state the company's intention to sell the share if the notice is not complied with.
- 11.3 Where shares are sold under this article:
- 11.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
 - 11.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 11.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 11.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - 11.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation,

or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.

- 11.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:

11.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

11.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

DECISION MAKING BY SHAREHOLDERS

12. POLL VOTES

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

13. PROXIES

- 13.1 Model Article 45(1)(d) is 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".
- 13.2 Model Article 45(1) is amended by the insertion of the words "and a proxy notice which is not delivered in such manner will be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

SHARES

14. ALLOTING SHARES

Subject always to articles 15.4.1 and 15.4.2, the directors will have the powers given by section 550 of the Act. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act will not apply to an allotment of shares made by the company.

15. SHARE CAPITAL

- 15.1 The issued share capital of the Company is divided into Ordinary Shares, G1 Shares, G2 Shares G3 Shares and G4 Shares. If no shares of a particular class are in issue at any time, these Articles shall be read as if they do not include any reference to that class.
- 15.2 Except as otherwise provided in these Articles, the Shares shall rank pari passu in all respects.
- 15.3 The Shares shall not constitute different classes of shares for the purposes of the Act.
- 15.4 The Shares shall have, and be subject to the following rights and restrictions:

VARIATION OF G SHARE CLASS RIGHTS AND ENTRENCHED RIGHTS

- 15.4.1 Other than with the prior written consent of the holders of not less than 75% of the G Shares:
- 15.4.1.1 No new G Shares shall be allotted, issued or otherwise created (whether by re-classification or otherwise);
- 15.4.1.2 No event shall take place where the number of G Shares is increased or may be increased;
- 15.4.1.3 The rights of the G Shares and the rights and obligations of the holders of G Shares (including, without limitation, those conferred by these articles) shall not be varied or abrogated in any way.
- 15.4.2 Without prejudice to the generality of article 15.4.1.3, any amendment or repeal of any provision of, or addition of any provision to, the constitution of the Company which varies, abrogates or affects in any way the rights attaching to the G Shares or the rights and/or obligations of the holders of the G Shares (including, without limitation, those conferred by article 15.4.1 and this article 15.4.2) shall be deemed to be a variation of the rights of the G Shares.

VOTING:

15.4.3 **As regards voting:-**

On a show of hands every Shareholder holding Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a Shareholder shall have one vote, and on a poll every Shareholder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Ordinary Share of which he is the holder.

The holders of the G Shares shall have no entitlement to attend and/or vote at any general meeting of the Company.

DIVIDENDS

- 15.4.4 As regards income, the profits available for distribution in respect of any accounting period of the Company may be applied by the Directors in their absolute discretion between the holders of the Ordinary Shares and the G1 Shares, the G2 Shares, the G3 Shares and the G4 Shares.

CAPITAL AND SALE

- 15.4.5 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
- 15.4.5.1 first, all proceeds up to and including the Hurdle Value shall be paid to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held;
- 15.4.5.2 second, any proceeds over and above the Hurdle Value ("Balance Proceeds") shall be applied as follows: -
- (a) 5% of the Balance Proceeds shall be paid to the holders of the G1 Shares pro rata to the number of G1 Shares held;
 - (b) 5% of the Balance Proceeds shall be paid to the holders of the G2 Shares pro rata to the number of G2 Shares held;

- (c) 5% of the Balance Proceeds shall be paid to the holders of the G3 Shares pro rata to the number of G3 Shares held;
- (d) 5% of the Balance Proceeds shall be paid to the holders of the G4 Shares pro rata to the number of G4 Shares held;
- (e) the Balance Proceeds remaining after the application and payment of the amounts due to the holders of the G1 Shares, G2 Shares, G3 Shares and G4 Shares under this article 15.4.5.2 shall be paid to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.

15.4.6 On a Sale:

15.4.6.1 the Sale Proceeds shall be distributed in the order of priority set out in article 15.4.5 above; and

15.4.6.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out set out in 15.4.5 above.

15.4.7 On a Sale, the reasonable and properly incurred fees and expenses payable by the selling Shareholders under that Sale shall be apportioned between each such selling Shareholder on a pro rata basis with reference to the proportion by which the Sale Proceeds paid or payable to him bears to the total Sale Proceeds.

16. PERMITTED TRANSFERS OF SHARES

16.1 The directors will (subject to articles 17 and 20) register the transfer of any shares:

16.1.1 upon any change of trustees of a trust the trustees of which hold any shares as at the date of adoption of these articles, to the new trustee or trustees (so that any such transfer as aforesaid will be registered pursuant to this article 15 only if such shares are to be held upon the terms of the trust);

16.1.2 by the trustee or trustees of a trust to which article 16.1.1 applies to any person beneficially interested under the trust;

16.2 A shareholder may at any time transfer shares with the consent of all the shareholders.

16.3 Notwithstanding anything in these articles, any transfer of G Shares made pursuant to an Option Agreement shall be permitted and for the avoidance of doubt, not be subject to the pre-emption regime at article 17.

17. PRE-EMPTION RIGHTS ON TRANSFER

17.1 Except in the cases of transfers of shares expressly authorised by article 16 and this article 17 the right to transfer shares will be subject to the following restrictions.

17.2 Any person (the "Selling Shareholder") proposing to transfer any shares will give notice in writing (a "Transfer Notice") to the company that he desires to transfer the same and specifying the price per share at which he is willing to sell them. The Transfer Notice will constitute the company the agent of the Selling Shareholder for the sale (with absolute title guarantee) of the shares comprised in the Transfer Notice together with all rights then attached thereto to the Parent Company ("Purchasing Shareholders") or to the company (as the case may be) at the price specified therein or at the fair value certified in accordance with article 17.4 (whichever is the lower). A Transfer Notice will not be revocable except with the sanction of the directors.

- 17.3 The shares comprised in any Transfer Notice will be offered to the shareholders (other than the Selling Shareholder) as nearly as may be in proportion to the number of shares held by them respectively. Such offer will be made by notice in writing (the "Offer Notice") within seven days after the receipt by the company of the Transfer Notice. The Offer Notice will:
- 17.3.1 state the identity of the Selling Shareholder, the number of shares comprised in the Transfer Notice and the price per share specified in the Transfer Notice and inform the shareholders that shares are offered to them in accordance with the provisions of this article 17.3;
 - 17.3.2 contain a statement to the effect that the shares are offered in the first instance in the proportion referred to in the opening sentence of this article 17.3 but go on to invite each shareholder to state in his reply whether he wishes to purchase more or fewer shares than his proportionate entitlement and if so what number;
 - 17.3.3 contain a statement of the right of each shareholder to request a certificate of fair value under article 17.4, the form of such statement to be as near as circumstances permit to that of the first sentence of that Article;
 - 17.3.4 contain a statement to the effect that each of the shares in question is being offered to shareholders at the lower of the price specified in the Transfer Notice and (if applicable) its fair value certified in accordance with article 17.4;
 - 17.3.5 state the period in which the offer may be accepted if no such certificate of fair value is requested (not being less than twenty-two days or more than forty-two days after the date of the Offer Notice); and
 - 17.3.6 contain a statement to the effect that, if such a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of fourteen days commencing on the date of the notice of the certified fair value given to shareholders pursuant to article 17.4 or until the expiry of the period referred to in article 17.3.5 whichever is the later.

For the purposes of this Article an offer will be deemed to be accepted on the day on which the acceptance is received by the company and may, if so specified in the acceptance, be accepted by a shareholder in respect of a lesser number of shares than his full proportionate entitlement. If all the shareholders do not accept the offer in respect of their respective proportions in full, the shares not so accepted will be used to satisfy any claims for additional shares (notified in response to the invitation referred to in article 17.3.2) as nearly as may be in proportion to the number of shares already held by the shareholders claiming additional shares, provided that no shareholder will be obliged to take more shares than he has applied for. If any shares are not capable of being offered to the shareholders in proportion to their existing holdings, except by way of fractions, the same will be offered to the shareholders, or some of them, in such proportions as the directors may think fit.

- 17.4 Any shareholder may, not later than eight days after the date of the Offer Notice, serve on the company a notice in writing requesting that the auditors for the time being of the company certify in writing the sum which in their opinion represents the fair value of each of the shares comprised in the Transfer Notice as at the date of the Transfer Notice, calculated:
- 17.4.1 on the basis of a sale between a willing seller and a willing purchaser of the shares so offered;
 - 17.4.2 if the company is then carrying on business as a going concern, on the basis that it will continue to do so;
 - 17.4.3 on the basis that the shares so offered are capable of being transferred without restrictions;
 - 17.4.4 disregarding any restriction attaching to the shares so offered pursuant to these articles; and

17.4.5 subject to Article 15.4.5, valuing such shares as a rateable proportion of the total value of all of the issued shares of the company.

If the auditors decline such appointment at their discretion or if the company has no auditors then a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales, on the application of the directors or any shareholder on behalf of the company, will be instructed to give such certificate and all references in this article to the auditors will include any person so nominated. Forthwith upon receipt of such notice, the company will instruct the auditors to certify as aforesaid and the costs of producing such certificate will be apportioned among the Selling Shareholder and the Purchasing Shareholders and borne by any one or more of them as the auditors in their absolute discretion decide. In certifying the fair value as aforesaid the auditors will be entitled to obtain professional valuations in respect of any of the company's assets and will be considered to be acting as experts and not as arbitrators and accordingly any provisions of law or statute relating to arbitration will not apply. Forthwith upon receipt of the certificate of the auditors, the company will by notice in writing inform all shareholders of the certified fair value of each share and of the price per share (being the lower of the price specified in the Transfer Notice and the certified fair value of each share) at which the shares comprised in the Transfer Notice are offered for sale.

- 17.5 If Purchasing Shareholders are found for shares comprised in the Transfer Notice within the appropriate period specified in article 17.3, the company will not later than seven days after the expiry of such appropriate period give notice in writing (a "Sale Notice") to the Selling Shareholder specifying the Purchasing Shareholders and the number of shares to be purchased by each Purchasing Shareholder and the Selling Shareholder will be bound, upon payment of the price due in respect of the relevant shares, to transfer such shares to the Purchasing Shareholders.
- 17.6 If in any case the Selling Shareholder after having become bound as aforesaid makes default in transferring any shares, the company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares on behalf of and as agent for the Selling Shareholder in favour of the Purchasing Shareholders. The receipt of the company for the purchase money will be a good discharge to the Purchasing Shareholders. The company will pay the purchase money into a separate bank account and will hold the same on trust for the Selling Shareholder.
- 17.7 If Purchasing Shareholders are not found for all the shares comprised in the Transfer Notice within the appropriate period specified in article 17.3, the company may within seven days of the expiry of the appropriate period itself elect by notice in writing (a "Buyback Notice") to the Selling Shareholder to purchase those shares comprised in the Transfer Notice for which Purchasing Shareholders have not been found pursuant to chapter VII of Part V of the Act at the price per share specified in the Transfer Notice served in accordance with article 17.2 or as certified in accordance with article 17.4 (the "Buyback Option"). If the directors wish to take up the Buyback Option, they shall proceed to convene as soon as practicable a general meeting or circulate a written resolution to approve the purchase of the relevant shares on the terms specified in this Article and, if required, to approve a payment in respect of the purchase otherwise than out of distributable profits or the proceeds of a fresh issue of shares, and the directors shall ensure that the other formalities required by the Act are expeditiously complied with. Provided that it is lawfully able to do so, the company shall be obliged to purchase the shares in question and the Selling Shareholder shall be obliged to sell the shares to the company, on the basis that the sale will be made with full title guarantee and that the price for the shares will be paid in full in cash on completion of the sale and purchase.
- 17.8 If the Buyback Option is taken up and the Selling Shareholder fails to complete the sale of the shares in question to the company, the directors may authorise any person to execute on behalf of and as attorney for the Selling Shareholder an appropriate contract and, in the absence of the relevant share certificate, any indemnity in respect thereof requested by the directors, and may deliver it or them on his behalf. The company shall send a cheque in respect of the price for the shares to the Selling Shareholder at his registered address and after appropriate entries have been made in the Register of Members in purported exercise of this power, the validity of the proceedings shall not be questioned by any person.

- 17.9 If in respect of any shares comprised in a Transfer Notice no Purchasing Shareholder shall be found and/or no Buyback Notice shall be given, the Selling Shareholder will, during the period of three months next following the expiry of the period of seven days referred to in article 17.7, be at liberty to transfer such shares to any person or persons PROVIDED THAT the price per share obtained upon such share transfer will in no circumstances be less than the price per share specified in the Transfer Notice served in accordance with article 17.2 or as certified in accordance with article 17.4 (whichever is the lower) and the Selling Shareholder will upon request furnish such information to the directors as they require in relation to the price per share obtained as aforesaid. The directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer.
- 17.10 In these Articles a Transfer Notice is "Current" until such time as the company has given a Sale Notice pursuant to article 17.5 or (as the case may be) the time specified for giving a Sale Notice pursuant to article 17.5 has expired without such Sale Notice being given. If a Transfer Notice is given or deemed to be given at a time when there is any Current Transfer Notice, such Transfer Notice will (notwithstanding any provision of these Articles to the contrary) be deemed to have been received and take effect immediately after the time when all Transfer Notices actually given before it have ceased to be Current.
- 17.11 No Transfer Notice may be given by any shareholder within six months of any previous Transfer Notice given by such shareholder (unless it shall be a Transfer Notice deemed to be given under article 18).
- 17.12 Whenever any Employee Shareholder ceases to be an Employee Shareholder in circumstances where he is a Bad Leaver, the fair value shall be the subscription price paid or payable by the Employee Shareholder for the relevant shares
18. **TRANSFER ON DEATH OF A SHAREHOLDER**
- 18.1 For the purposes of this article 18 "Relevant Shares" means all Shares held by the Shareholder in question excluding any G Shares
- 18.2 In the event of the death of any shareholder (excluding always a person who holds shares only in the capacity of a trustee), there will be deemed to have been given a Transfer Notice in respect of the Relevant Shares and the price for such shares will be the value determined in accordance with article 17.4.
- 18.3 Any Transfer Notice deemed to be given pursuant to this article 18 will not be revocable and will supersede and cancel any then Current Transfer Notice previously given in respect of such shares pursuant to article 17.
19. **DRAG ALONG PROVISIONS**
- 19.1 If a Shareholder or Shareholders holding 60% or more of the Ordinary Shares in the capital of Company ("**the Majority Shareholders**") propose to accept an offer from an unconnected third party (or any person or persons acting in concert with it) ("**the Offeror**") which is on bona fide arm's length terms for all of the Shares ("**the Offer**"), then they will have the right ("**the Drag Along Right**") to require the other holders of Shares to accept in full the Offer.
- 19.2 The Drag Along Right may be exercised by the Majority Shareholders sending written notice to the holders of all of the remaining Shares ("**the Other Shareholders**"). The written notice will include reasonable details of the Offer including, but not limited to, the consideration (in cash or otherwise; as detailed in Article 19.6) per Share and the identity of the Offeror. No such notice may require the Other Shareholders to agree to any terms except those specifically provided for in this article.
- 19.3 A notice exercising the Drag Along Right once given will be irrevocable but will lapse (and the obligations thereunder will lapse) in the event that the Majority Shareholders do not transfer their shares which are the subject of the Offer to the Offeror or the Offeror's nominee within six

months from the date of the Offer; but the Majority Shareholders will be entitled to serve further notices exercising the Drag Along Right following the lapse of any particular notice. Further, the Other Shareholders will not in any event be obliged to transfer their shares to the Offeror or its nominee prior to the date on which the Majority Shareholders complete the transfer of their shares to the Offeror or its nominee.

- 19.4 Upon the exercise of the Drag Along Right in accordance with these Articles, the Other Shareholders will be bound to accept the Offer in respect of their entire holdings of Shares.
- 19.5 In the event that any Other Shareholder fails to accept the Offer or, having accepted the Offer, fails to complete the transfer of any Shares pursuant to the Offer or otherwise fails to take any action required under the terms of the Offer ("the Defaulting Shareholder"), to ensure compliance with the Drag Along Right the Majority Shareholders may authorise any person to act as the Defaulting Shareholder's agent to accept the Offer on the Defaulting Shareholder's behalf or to undertake any action required either under the terms of the Offer or to comply with the Drag Along Right. The Majority Shareholders may in particular authorise any person as agent for the Defaulting Shareholder to execute a transfer of any shares held by a Defaulting Shareholder in favour of the Offeror (or its nominee) and the authorised person may give a good receipt for the consideration for such Shares and the Company will (subject to these Articles) register the Offeror (or its nominee) as the holder thereof and issue to it certificate(s) for the same. Each Defaulting Shareholder will in such case be bound to deliver up his certificate(s) for his shares to the company whereupon he will be entitled to receive the purchase price for such shares which will in the meantime be held by the authorised person on trust for him but without interest. After the name of the Offeror (or its nominee) has been entered in the company's register of members in exercise of these powers, the validity of the proceedings will not be questioned by any person.
- 19.6 The "consideration" shall mean, in respect of any Shares sold pursuant to an Offer, a price determined in accordance with the provisions of these Articles; and includes any consideration (whether deferred or conditional) received or receivable 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.
- 19.7 On the sale of Shares pursuant to an Offer and the Majority Shareholders exercising the Drag Along Right under this article 19 ("**Drag Transaction**"), all selling Shareholders shall give such warranties indemnities and undertakings as are agreed with any Offeror provided always that:
- 19.7.1 the total liability of any holder of G Shares arising in connection with the Drag Transaction (including, without limitation, any liability arising from a warranty claim, indemnity claim, tax covenant claim and any costs or expenses arising in connection with any such claim) does not and cannot exceed the total amount of consideration actually received by that holder of G Shares under the Drag Transaction;
- 19.7.2 under the terms of the Drag Transaction: -
- 19.7.2.1 the Majority Shareholders shall take all reasonable endeavours to procure that the selling Shareholders shall not be jointly and severally liable;
- 19.7.2.2 the Majority Shareholders shall take all reasonable endeavours to procure that the liability of each selling Shareholder shall be several so that in relation to any claim brought by an Offeror (or other relevant party) under the terms of the Drag Transaction, each Selling Shareholder's liability under such claim will not exceed their Rateable Proportion of the total claim value;
- 19.7.2.3 the relevant buyer (or assignee) may only claim against the selling Shareholders in accordance with their respective Rateable Proportion.
- 19.8 Articles 19.7.2.2 and 19.7.2.3 shall be without prejudice to article 19.7.1.

- 19.9 In article 19.7, "Rateable Proportion" shall in respect of a selling Shareholder mean the proportion which the total consideration received or receivable by him bears to the total consideration received or receivable under the Drag Transaction.

20. TRANSFER OF SHARES — GENERAL

- 20.1 Model Article 26(5) will be amended so the first word "The" is deleted and replaced with the words "Subject at all times to compliance with section 771 of the Act the".
- 20.2 Notwithstanding Model Article 26(5) (as amended) the directors may also refuse to register a transfer unless:
- 20.2.1 it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
- 20.2.2 it is in favour of not more than four transferees.
- 20.3 The directors will register a transfer of shares made pursuant to the provisions of these Articles, subject to the provisions of this article 20.
- 20.4 For the purpose of ensuring that a transfer of shares is permitted pursuant to the provisions of these Articles or that no circumstances have arisen whereby a Transfer Notice may be required to be given, the directors may from time to time require any shareholder or the legal personal representatives of any deceased shareholder or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after request, the directors will be entitled to refuse to register the transfer in question.
- 20.5 Any transfer or purported transfer of a share made otherwise than in accordance with, or permitted by, these Articles will be null and void and of no effect.

ADMINISTRATIVE ARRANGEMENTS

21. CONSOLIDATED SHARE CERTIFICATES

- 21.1 When a shareholder's holding of shares increases, the company may issue that shareholder with:
- 21.1.1 a single, consolidated certificate in respect of all the shares which that shareholder holds; or
- 21.1.2 a separate certificate in respect of only those shares by which that shareholder's holding has increased.
- 21.2 When a shareholder's holding of shares is reduced, the company must ensure that the shareholder is issued with one or more certificates in respect of the number of shares held by the shareholder after that reduction. But the company need not (in the absence of a request from the shareholder) issue any new certificate if
- 21.2.1 all the shares which the shareholder no longer holds as a result of the reduction; and
- 21.2.2 none of the shares which the shareholder retains following that reduction were, immediately before the reduction, represented by the same certificate.
- 21.3 A shareholder may request the company, in writing, to replace:
- 21.3.1 the shareholder's separate certificates with a consolidated certificate; or

- 21.3.2 the shareholder's consolidated certificate with two or more separate certificates representing such proportion of the shares as the shareholder may specify.
- 21.4 When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.
- 21.5 A consolidated share certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

22. MEANS OF COMMUNICATION TO BE USED

- 22.1 Any notice, document or other information will be deemed served on or delivered to the intended recipient:
 - 22.1.1 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);
 - 22.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address; and
 - 22.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied.

For the purposes of this article 23, no account will be taken of any part of a day that is not a business day.

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

DIRECTORS' INDEMNITY AND INSURANCE

23. INDEMNITY

- 23.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 23.1.1 each relevant officer will be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - 23.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - 23.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

- 23.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 24.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 23.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 23.3 In this article 24:
- 23.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 23.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).
24. **INSURANCE**
- 24.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 24.2 In this article 25:
- 24.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- 24.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- 24.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.