

**Company Number: 02052519**

**THE COMPANIES ACT 1985  
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION OF  
S.K. CHILLED FOODS LIMITED**

**(Adopted by Special Resolution passed on  
2 February 2024)**

## **PRELIMINARY**

1

- (a) The regulations contained in Table A in the Companies (Tables A-F) Regulations 1985 (as amended prior to the adoption of these Articles) (**Table A**) shall apply to the Company save in so far as they are excluded or varied hereby or to the extent inconsistent herewith.
- (b) The following Regulations of Table A shall not apply to this Company viz 3, 24, 35, 39, 40, 46, 47, 50, 53, 54, 64, 73 to 77 (inclusive) 80, 81, 88, 89, 93 to 98 (inclusive) 115 and 118.
- (c) In these Articles, unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:

<b>Act</b>	Companies Act 1985;
<b>Affiliate</b>	with respect to any natural person, company, partnership or entity, any natural person, company, partnership or entity which directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such person or entity;
<b>Associate</b>	the auditors for the time being of the Company <ul style="list-style-type: none"><li>(a) the spouse, brother, sister, ancestor or lineal descendant or partner of that party;</li><li>(b) the trustees of any settlement of which that party is the settlor; or</li><li>(c) any company which has a Controlling Interest in that party or in which that party has a Controlling Interest (in either case alone or in conjunction with Associates);</li></ul>
<b>Auditors</b>	the auditors for the time being of the Company;
<b>B Ordinary Shares</b>	B Ordinary Shares of one pound (£1.00) each in the capital of the Company issued, transferred or acquired for the purposes of or pursuant to an Employees' Share Scheme adopted by the Company;

<b>Board</b>	the board of directors of the Company from time to time;
<b>Business Day</b>	a day (not being a Saturday) on which banks generally are open for business in London;
<b>Capital Return</b>	any return of assets by the Company to the members on liquidation, capital reduction, reorganisation or otherwise including without limitation following the sale of <i>substantially the whole of the</i> undertaking of the Company (other than a member of the Group);
<b>Capital Return Proceeds</b>	the surplus assets of the Company available for distribution to the members in connection with a Capital Return after payment of all of the Company's debts and liabilities;
<b>Controlling Interest</b>	an interest (within the meaning of Schedule 13, Part 1 and Section 324 of the Companies Act 1985) in shares conferring in the aggregate more than one half of the total voting rights conferred by all the shares in the equity share capital of a company for the time being in issue and conferring the right to vote at all general meetings;
<b>Employee Share Scheme</b>	a scheme for encouraging or facilitating the holding of B Ordinary Shares by or for the benefit of the employees and directors of the Company;
<b>Exit Flotation</b>	<p>a Flotation or Sale;</p> <p>(a) the effective admission of any part of the equity share capital of the Company to the Official List of the London Stock Exchange or the grant of effective permission by The London Stock Exchange for dealings to take place in the same on the Alternative Investment Market or the commencement of dealings in the same on any other recognised investment exchange (as defined in Section 207 of the Financial Services Act 1986);</p>

- (b) an initial public offering of the Company's shares (or American Depositary Shares) on a United States exchange or over the counter market pursuant to an effective registration statement under the United States Securities Act, of 1933 (as amended); or
- (c) an underwritten public flotation and listing on an internationally recognised share exchange,

(whichever is the earlier);

<b>Group</b>	the Company and its subsidiaries and subsidiary undertakings <i>for the time being</i> ;
<b>Intra-Group Debt</b>	the amount owed by the Company to any other member of the Group, or any holding company of the Company and any subsidiary or subsidiary undertaking of such holding company;
<b>Investor</b>	Specialty Chilled Food Groups Limited (registered with company number 03198298) and/or any person or persons holding shares in the Company in accordance with Article 1(b) (and the term Investors shall be construed accordingly);
<b>Investor Director</b>	any Investor Director in office from time to time after appointment pursuant to Article 21 (and the term Investor Directors shall be construed accordingly);
<b>Investor Shares</b>	Ordinary Shares held from time to time by an Investor;
<b>Loan Stock</b>	loan stock in the Company issued pursuant to the Loan Stock Instruments;
<b>Loan Stock Instruments</b>	the Loan Stock Instruments as defined in the Subscription Agreements;
<b>Net Proceeds</b>	the Capital Return Proceeds or the Sale Proceeds (as applicable);

**Ordinary Shares**

ordinary shares of one pound (£1.00) each in the capital of the Company not being B Ordinary Shares;

**Sale**

- (a) the sale (except as permitted by Article 1(b) below) of shares constituting a Controlling Interest to a single purchaser (or to one or more purchasers as part of a single transaction); or
- (b) the acquisition (whether or not as part of a single transaction but excluding any acquisition of shares as permitted under Article 1(b) below) of shares constituting a Controlling Interest by any person or by any group of persons who are Associates of each other and who did not previously hold a Controlling Interest;

**Sale Proceeds**

the aggregate consideration expressed as a cash price (whether that consideration is to be satisfied in cash, or otherwise) paid or payable to the relevant members in respect of the relevant Sale less all costs, expenses and charges payable by the members in respect of such transaction including, for the avoidance of doubt, any tax payable in respect of or arising on such transaction and where the consideration is to be satisfied otherwise than in cash, the cash price equivalent of such consideration shall be determined by an accountant or valuation expert with experience in the valuation of the relevant non-cash consideration appointed by the Board;

**Share**

any share (of any class) in the capital of the Company (and the term shares shall be construed accordingly);

**Subscription Agreement**

and the Subscription Agreement dated 10 February 1999 between (1) the Investor therein mentioned, (2) the Company, (3) the Continuing Shareholders therein mentioned, (4) the Vendors therein mentioned, and (5) the

Warrantors therein mentioned, as from time to time amended, supplemented or novated.

(d) In these Articles:

- i. references to a document being executed include references to its being executed under hand or under seal or as a deed or by any other method;
- ii. references to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form;
- iii. words denoting the singular number include the plural number and vice versa, words denoting the masculine gender include the feminine gender and words denoting persons include corporations;
- iv. words or expressions contained in the Articles bear the same meaning as in the Act;
- v. subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by Section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force;
- vi. references to the amount paid up on a share shall include all amounts credited as paid up thereon including any premium;
- vii. references to a dormant subsidiary of the Company are references to any subsidiary of the Company which at the relevant time is dormant for the purposes of Section 250(1)(a) or (b) of the Act; and
- viii. the headings are inserted for convenience only and shall not affect the construction of the Articles.

(e) The Company is a private company limited by shares and accordingly any offer to the public of shares in or debentures of the Company or any allotment of or agreement to allot shares in or debentures of the Company with a view to their being offered for sale to the public is prohibited.

## **SHARES**

2 The Company's authorised share capital is divided into:

- (a) 198,733 Ordinary Shares of one pound (£1.00) each in the capital of the Company<sup>i</sup>; and
- (b) 500 B Ordinary Shares of one pound (£1.00) each in the capital of the Company.

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<sup>i</sup> Authorised share capital increased pursuant to a written special resolution of the members of the company passed on 23 September 2017.

## AUTHORITY TO ALLOT

- 3 Subject to the provisions of Articles 3 and 5 below, the unissued shares in the capital of the Company for the time being shall be under the control of the directors, who are hereby generally and unconditionally authorised to allot, grant options over, or otherwise dispose of or deal with any unissued shares and relevant securities (as defined in Section 80(2) of the Act) to such persons, on such terms and in such manner as they shall think fit, but subject to any agreement binding on the Company provided that the authority contained in this Article insofar as the same relates to relevant securities (as defined aforesaid) shall, unless revoked or varied in accordance with Section 80 of the Act:

- (a) be limited to a maximum nominal amount of shares equal to the amount of the authorised but unissued share capital of the Company immediately following the time of the passing of the Resolution adopting these Articles; and
- (b) expire on the fifth anniversary of the date of the passing of such Resolution but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the directors after such anniversary of their powers in pursuance of the said authority.

In exercising their authority under this Article the directors shall not be required to have regard to Section 89(1) or (insofar as the exclusion of the application of such sub sections is permitted by the Act) Section 90(1) to (6) (inclusive) of the Act which sub-sections shall be excluded from applying to the Company.

4

- (a) Subject to the rights of shares and as hereinafter provided and (subject thereto) as may otherwise be resolved by Special Resolution, any Ordinary Shares shall, before they are issued, be offered as follows to only those holders of Ordinary Shares:
  - i. the offer shall be made by notice in writing to all holders of Ordinary Shares specifying the number of Ordinary Shares on offer and the price at which they are being offered and limiting the time (not being less than twenty-one days) within which the offer may be accepted;
  - ii. acceptances shall be given to the Company by notice in writing and in such acceptance the applicant shall state the number of Ordinary Shares on offer which he is willing to subscribe for; and
  - iii. after the expiration of such offer period or after the Company shall have received notice of the acceptance or as the case may be refusal of such offer from every offeree (whichever shall be the earlier event) the directors shall allot the Ordinary Shares offered to those holders of Ordinary Shares accepting the offer and, to the extent there is competition between such holders of Ordinary Shares, pro-rata to the number of Ordinary Shares of which they are respectively registered as holders.

**Provided That** no applicant shall be obliged to take more than the maximum number of offered shares specified by him in his application as aforesaid.

- (b) The provisions of Article 3(a) shall not apply to such amount of Ordinary Shares (not exceeding 20% of the Company's issued Ordinary Shares at the date of the adoption of these Articles) as the Company may allot in one or several tranches for use as consideration for investments in or acquisitions of businesses by the Company.
- (c) For the avoidance of any doubt, the provisions of Article 4(a) shall not apply to any B Ordinary Shares being issued as part of any Employees' Share Scheme.

## **RIGHTS ATTACHING TO SHARES**

- 5 The special rights and restrictions attached to and binding on the shares are as follows:

(a) **Income**

Any distributable profits resolved by the Board to be distributed to the holders of the shares in any financial year or period shall be distributed as may be resolved at the sole discretion of the Board from time to time:

- i. to the holders of both Ordinary Shares and B Ordinary Shares, either equally or in different proportions;
- ii. to the holders of Ordinary Shares only; or
- iii. to the holders of B Ordinary Shares only.

Any distributable profits so resolved to be distributed to the holders of any separate class of shares shall be distributed amongst such holders pro rata to the number of shares respectively held by them.

(b) **Capital**

On a Sale or Capital Return, the Net Proceeds shall be distributed in the following order:

- i. each holder of B Ordinary Shares shall receive an amount equal to the B Ordinary Share Value for each B Ordinary Share held by such member;
- ii. thereafter and subject to the payment of any and all amounts payable pursuant to Article 5(b)(i), the Intra-Group Debt shall be paid to the relevant creditor; and
- iii. thereafter and subject to the payment of any and all amounts payable pursuant to Articles 5(b)(i) and 5(b)(i)(ii), the remaining balance of the Net Proceeds shall be distributed amongst the holders of Ordinary Shares pro rata to the number of Ordinary Shares held by them.



For the purpose of Article 5(b)(i), the B Ordinary Share Value shall be calculated as follows;

$((A + B) - C) = B \text{ Ordinary Share Value Where}$

- A      The Net Proceeds.
- B      The amount (if any) by which the Net Proceeds have been or are reduced to reflect the Intra-Group Debt.
- C      The total number of shares in issue as at the time of distribution.

(c)    **Voting**

Each holder of Ordinary Shares present in person or by proxy or corporate representative shall be entitled on a show of hands to one vote and on a poll to one vote for every Ordinary Share of which he is the holder. The holders of B Ordinary Shares shall:

- i.      be entitled to receive notice of and to attend and speak at any general meetings of the Company; but
- ii.     shall not by virtue of such holding be entitled to vote on any resolution at any general meeting of the Company or otherwise.

(d)    **Consents**

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares or the provisions of the Subscription Agreement, the consent or sanction of the Investors holding a majority of Investor Shares shall be required before the Company or any other member of the Group shall;

- i.      make any declaration or payment of dividend including, without limitation, any distribution or return to members of a capital nature;
- ii.     except as expressly provided in the Subscription Agreement and the Loan Stock Instruments, create or allot or issue any further shares or grant or agree to grant to any person any option or right to subscribe for convert into or otherwise to require the issue or allotment of any shares or the creation or allotment or issue of shares, except i) to the Company or a subsidiary thereof, or ii) to an employee or director of the Company for the purposes of or pursuant to an Employees' Share Scheme;
- iii.    pass a resolution for the increase reduction or cancellation of its share capital or the reduction of any uncalled liability in respect thereof;
- iv.     purchase or redeem the whole or any part of its share capital other than in accordance with the terms of issue of any class of share capital;

- v. modify vary alter or abrogate any of the rights privileges or restrictions attaching to any of the classes of its share capital;
- vi. make any alteration to its Memorandum and Articles of Association;
- vii. pass any resolution or seek any order or take any steps with a view to the liquidation, winding up or striking off dissolution or administration or receivership of any member of the Group or the equivalent in any other jurisdiction; or
- viii. take any steps to achieve an Exit.

## **VARIATION OF RIGHTS**

6

- (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied modified abrogated or cancelled only with the approval of an Extraordinary Resolution passed at a separate class meeting of the holders of the issued shares of that class, or with the consent in writing of the holders of 95 per cent or more in nominal value of the issued shares of that class (or such higher percentage as may be required by the Act).
- (b) To every separate General Meeting referred to in sub-paragraph (a) above the provisions of these regulations relating to General Meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy or corporate representative three quarters or more in nominal value of the issued shares of the class and that any holders of shares of the class present in person or by proxy may demand a poll and on a poll each share concerned shall carry one vote Provided That where there is only one holder of the issued shares of the relevant class a quorum shall be that holder alone present in person or by proxy or corporate representative.
- (c) The variation modification abrogation or cancellation of this Article or of any provision of these Articles which contains or affects any class rights shall (save as expressly provided herein) require the consent aforesaid of the holders of shares of the class or classes concerned to be effective.

## **PART V COMPANIES ACT 1985**

- 7 Subject to the provisions of Part V of the Act, to Article 5 above and to the rights of the holders of the respective classes of shares of the Company the Company may:
- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the member;
  - (b) purchase its own shares (including any redeemable shares); and

- (c) make a payment in respect of the redemption or purchase, under section 160 or (as the case may be) section 162 of the Act and the relevant power under (a) or (b) above of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Section 171 of the Act.

### **LIEN**

- 8 The Company shall have a first and paramount lien on all shares standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company.

### **LIEN OVER SHARES**

- 8 (A) Notwithstanding anything contained in these articles, the directors (or director if there is only one) of the Company may not exercise their rights of lien over shares that have been mortgaged, charged or pledged by way of security to a bank or institution.

### **TRANSFERS-GENERAL**

9

- (a) No shares or any interest therein shall be transferred and the directors shall not register any transfer of shares in the Company except in circumstances where the transfer is permitted by these Articles, the Subscription Agreement and/or the Loan Stock Instruments (a **Permitted Transfer**).
- (b) For the purposes of the provisions of these Articles relating to transfer of shares, a transfer of shares includes a renunciation of any allotment of shares or of any rights to subscribe for or receive an allotment of shares and any other disposition, sale, assignment or otherwise of any interest in any share whether legal beneficial or otherwise and whether or not for consideration or by written disposition or by operation of law or otherwise.
- (c) Any transfer or purported transfer of any share or of any interest therein made otherwise than in accordance with these Articles, the Subscription Agreement and/or the Loan Stock Instruments shall be void and of no effect whatsoever.
- (d) The directors may in their absolute discretion and shall if required by any Investor Director, and without assigning any reason therefor, decline to register any transfer made otherwise than in accordance with Regulation 24(a) of Table A.
- (e) The transferor of any share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

- (f) For the purposes of these Articles and in particular the provisions thereof relating to the transfer of shares:
- i. **Bad Leaver** means any holder of B Ordinary Shares who ceases to be an employee or director of the Company and is not a Good Leaver;
  - ii. **Bad Leaver Transfer Value** means such sum that is equal to the nominal value of the B Ordinary Shares being transferred to the Company pursuant to the Mandatory Transfer Notice;
  - iii. **Determining Accountant** means a chartered accountant appointed by agreement between the parties within seven days following the expiration of the period of twenty-eight days referred to in the definitions of **Good Leaver Transfer Value** and **Transfer Value** or, failing agreement, such chartered accountant as may be appointed on the application of the proposed transferor or the Board by the President for the time being of the Institute of chartered accountants in England and Wales. In reporting the Determining Accountant shall be deemed to be acting as an expert and not as arbitrator and his report shall be in writing addressed and produced to the proposed transferor and the Company and shall be final and binding, in the absence of manifest error therein. The Board shall procure that any report required hereunder is obtained with due expedition and the cost of obtaining such Report shall be borne by the Company;
  - iv. **Good Leaver** means any holder of B Ordinary Shares who ceases to be an employee or director of the Company by reason of:
    - 1. illness, injury or disability in each case, as a result of which the relevant employee or director is certified as being unable to work;
    - 2. retirement;
    - 3. death; or
    - 4. any other circumstances determined in the absolute discretion of the Board within 30 days of the date on which he so ceases to be an employee or director of the Company;
  - v. **Good Leaver Transfer Value** means such sum as may be agreed between the Good Leaver and the Board (with the written consent of the Investor Directors) within twenty-eight days of the service or deemed service upon the Company of a Mandatory Transfer Notice or, in default of such agreement, such sum as a Determining

Accountant shall report in writing as being in his opinion the fair value thereof on the basis of:

1. a sale as between a willing vendor and a willing purchaser of the whole of the issued shares of the Company in the open market; and
  2. disregarding the *fact that the B Ordinary Shares represent a majority or minority of the shares in the Company*;
- vi. **Mandatory Transfer** means any transfer of shares required pursuant to Article 11 or which is given by any person at a time when he could be required under Article 11 to make such a transfer;
- vii. **Mandatory Transfer Notice** means a Transfer Notice given or deemed to be given pursuant to Article 11 or given by a person at a time when he could be required under Article 11 to give such a Transfer Notice;
- viii. **Transfer Notice** means a Mandatory Transfer Notice or a transfer notice in relation to a Voluntary Transfer, as the case may be;
- ix. **Transfer Value** means the value (as at the date of any Transfer Notice given pursuant to Article 12 (in the case of a Voluntary Transfer) or as at the date of an event specified in Article 11(a) in the case of a Mandatory Transfer Notice) attributable to the shares comprised in any Transfer Notice The Transfer Value per share of any shares in the Company:
1. to be transferred pursuant to Article 12(c), shall be such sum that is equal to either the Good Leaver Transfer Value or the Bad Leaver Transfer Value (as applicable); or
  2. to be transferred pursuant to any other provision of these Articles shall be such sum as may be agreed between the proposed transferor and the Board (with the written consent of the Investor Directors) within twenty- eight days of the service or deemed service upon the Company of a Transfer Notice in which the shares subject to the Transfer Notice are comprised or in default of such agreement such sum as a Determining Accountant shall report in writing as being in his opinion the fair value thereof on the basis of:
    - a. a sale as between a willing vendor and a willing purchaser of the whole of the issued shares of the Company in the open market; and
    - b. disregarding the fact that the shares represent a majority or minority of the shares in the Company;

- x. **Voluntary Transfer** means any transfer of shares pursuant to a notice served in accordance with Article 12(a).

## **SECURITY OVER SHARES**

9 (A)

(1) Notwithstanding anything contained in these articles:

- (a) the directors (or director if there is only one) of the Company may not decline to register any transfer of shares in the Company nor suspend registration of any such shares; and
- (b) a holder of shares in the Company is not required to comply with any provision of the articles which restricts the transfer of shares or which requires any such shares to be first offered to all or any current shareholders of the Company before any transfer may take place, where in any such case the transfer is or is to be:
  - (a) executed by a bank or institution to which such shares have been mortgaged, charged or pledged by way of security (or by any nominee of such bank or institution) pursuant to a power of sale under such security;
  - (b) executed by a receiver or manager appointed by or on behalf of any such bank or institution under any such security; or
  - (c) to any such bank or institution (or to its nominee) pursuant to any such security.

(2) A certificate by any officer of such bank or institution that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.

## **TRANSFERS EXPRESSLY PERMITTED**

10

- (a) Any share may be transferred at any time by a member to any other person with the written consent of the Investors holding a majority of Investor Shares.
- (b) An Investor or a transferee pursuant to this Article 10(b) may in its sole discretion (in a series of one or more transfers) at any time transfer any shares in the Company held by it to an Affiliate of the Investor and each person holding shares as a result of any such permitted transfer shall also be an Investor for the purposes of this Article.

## MANDATORY TRANSFERS

11

- (a) In the event that:
- i. an effective resolution is passed or order made for the dissolution or winding up of any member, (other than bona fide for the purposes of amalgamation or reconstruction without insolvency);
  - ii. a receiver or administrator or administrative receiver or equivalent appointee under the insolvency laws of any jurisdiction shall be appointed over the whole or any part of the undertaking or assets of any member and shall not be removed or discharged within 28 days of his appointment;
  - iii. any member ceases or threatens to cease carrying on its business or commits any act of bankruptcy or makes any arrangement or composition with its creditors; and
  - iv. any member who holds B Ordinary Shares pursuant to an Employees' Share Scheme ceases to be an employee or director for whatever reason and the Board so determines that a Mandatory Transfer Notice should be given,
- then a Mandatory Transfer Notice shall be deemed to have been given in respect the shares in the Company held by that member.
- (b) In any case where under the provisions of these Articles a Mandatory Transfer Notice is required to be given in respect of any shares a Mandatory Transfer Notice shall if not actually given within a period of fourteen days of demand therefor being made or within any other period specified, be deemed to have been given on the fourteenth day after such demand is made or at the end of the relevant specified period, as appropriate.

## THIRD PARTY TRANSFER

- 12 Save as provided in Articles 13 and 14, no member (other than an Investor) shall transfer any of its membership interest in the Company except by a transfer which meets the following requirements.
- (a) If a member (other than an Investor) (the **Offering Member**) has received a bona fide offer to transfer any membership interest in the Company, then the Offering Member shall first give written notice of the proposed transfer to the Board Such notice shall specify:
- i. the name and address of the party (the Offeror) to which the Offering Member proposes to transfer the membership interest;

- ii. the number and class of shares the Offering Member proposes to transfer;
- iii. the consideration to be delivered to the Offering Member for the proposed transfer; and
- iv. all other material terms and conditions of the transfer.

If the consideration to be paid for such membership interest is other than cash or loan notes, the Offering Member shall specify in the Transfer Notice the fair market value of such consideration and shall include a qualified accountants valuation in support thereof.

- (b) A Transfer Notice shall authorise the Company to sell the membership interest to which such Transfer Notice relates or is deemed to relate in accordance with the provisions hereinafter in this Article.
- (c) Following the receipt or deemed receipt of a Mandatory Transfer Notice under Article 11(a)(iv), the Company shall have the option, with the prior written consent of the Investor Directors, to buy-back the B Ordinary Shares to which the Mandatory Transfer Notice relates from the relevant member (**Option**) for a Transfer Value equal to either:
  - (a) the Good Leaver Transfer Value for a Good Leaver; or
  - (b) the Bad Leaver Transfer Value for a Bad Leaver.
- (d) Where the Company:
  - i. notifies the relevant member that it does not wish to exercise its Option; or
  - ii. does not exercise its Option within 30 days *from*:
    - a) in the case of a Bad Leaver, the date the Mandatory Transfer Notice is received or deemed received; or
    - b) in the case of a Good Leaver, the date the Good Leaver Transfer Value is agreed or determined pursuant to Article 9(f)(v)),

the Company's Option shall lapse, and a Transfer Notice in respect of the B Ordinary Shares to which the Option relates shall be deemed to be received pursuant to Article 12(e) below.

- (e) Subject to Articles 12(c) and (d), following the receipt or the deemed receipt of a Transfer Notice, the Secretary of the Company shall forthwith give written notice (the **Purchase Notice**) to the Investors. In the case of a Voluntary Transfer Notice the Purchase Notice shall specify all details set out in the notice given to the Board by the Offering Member in accordance with Article 12(a). In the case of a Mandatory Transfer Notice the Purchase Notice shall specify the



number and class of shares being offered and the Transfer Value for such shares.

- (f) The Purchase Notice shall invite each Investor to whom such notice is given to apply in writing to the Company within twenty one days of the date of despatch of the notice (which shall be specified therein) for such maximum number of the shares which are the subject of the Purchase Notice (the **Offered Shares**) (being all or any thereof) as he or it shall specify in such application.
- (g) If any Investors shall within the period of twenty-one days referred to above apply for:

- i. in respect of a Voluntary Transfer, all of the Offered Shares; or

- ii. in respect of a Mandatory Transfer, all or any of the Offered Shares,

then the Secretary of the Company shall allocate all the Offered Shares (or, in respect of a Mandatory Transfer, so many of them as shall be applied for as aforesaid) to and amongst the Investors applying for the Offered Shares and, to the extent there is competition between such applicants, pro rata to the number of such shares of which they are respectively registered as holders Provided That no Investor shall be obliged to take more than the maximum number of Offered Shares specified by him as aforesaid and that all requisite adjustments shall be made in the event that any applicant allocated Offered Shares shall fail to complete the purchase of the same when required in accordance with this Article.

- (h) The Secretary of the Company shall forthwith give notice in writing of the allocations of Offered Shares made pursuant to paragraph (g) above (hereinafter called an **Allocation Notice**) to the holder of the Offered Shares and to the persons to whom Offered Shares have been allocated and the holder of the Offered Shares shall thereupon be bound to transfer all (but not some only) of the shares allocated upon payment of the specified price thereof An Allocation Notice shall state the names and address of the purchasers and the number of shares agreed to be purchased by them respectively and the purchases shall be completed at such place and such time as shall be specified by the Secretary of the Company in such Allocation Notice being not less than seven days nor more than twenty eight days after the date of such Allocation Notice.
- (i) Where a Voluntary Transfer Notice has been served and all of the Offered Shares are not sold to the Investors in accordance with the previous provisions of this Article, the Offering Member shall be entitled at my time during the month following the date specified by the Secretary of the Company in paragraph (h) above (or if no Investors have applied to purchase the Offered Shares in accordance with paragraph (f) above, the month following the end of the twenty one day period specified in that paragraph) to transfer the shares not sold to

the Investors to the Offeror on the terms and conditions of the Voluntary Transfer Notice.

- (j) If any member who has become bound as aforesaid makes default in accepting payment of the purchase price for any shares to be sold by it in accordance with this Article 12, or as the case may be in transferring the same the Board or any Investor Director may receive such purchase money and may nominate some person to execute an instrument of transfer of such shares in the name and on behalf of such member and thereafter when such instrument has been duly stamped the Board shall cause the name of the purchasers to be entered in the Register of Members as the holder of such shares and where applicable shall hold the purchase money in trust without interest for such member. The receipt of the Board or any Investor Director for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

### **CONTROLLING INTEREST**

13

- (a) If any Investor(s) receive a bona fide written offer on arm's length terms (the **Third Party Offer**) from a third party (not being another member in the Company or an Affiliate of the Investor) (the **Third Party Offeror**) to purchase such of its or their shares in the Company that constitute a Controlling Interest in the Company at that time, the Investor(s) shall not accept such offer unless it is or they are first able to procure that an offer is made to the other members to purchase all of their shares in the Company on no less favourable terms than those in the Third Party Offer.
- (b) If at any time any Affiliate of any Investor(s) which hold(s) a Controlling Interest in the Company, accepts a Third Party Offer to purchase a Controlling Interest in such Affiliate or in any one or more Investors holding a Controlling Interest in the Company, then, the Investor(s) shall procure that an offer is made to all members in the Company other than the Investor(s) (the **Minority Shareholders**) for the purchase of their respective shareholdings in the Company at a fair value agreed between the Investor(s) and the Minority Shareholders. If a fair value cannot be agreed within twenty-eight days of receipt of a Third Party Offer, the fair value shall be such sum as a Chartered Accountant appointed in the manner described below (the **Valuing Accountant**) shall report in writing as being in his opinion the fair value thereof. The Valuing Accountant shall be appointed by agreement between the Investor(s) and the Minority Shareholders within seven days following the expiration of the period of twenty-eight days referred to above or, failing agreement shall be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

- (c) In reporting the Valuing Accountant shall be deemed to be acting as an expert and not as arbitrator and his report shall be in writing addressed and produced to the Investors), the Minority Shareholders and the Company and shall be final and binding, in the absence of manifest error therein The Company and Minority Shareholders shall procure that any report required hereunder is obtained with due expedition and the cost of obtaining such Report shall be borne by the Minority Shareholders.
- (d) If a Third Party Offer is made to all members (excluding the Investors), all of the members of the Company shall be deemed to have consented to such sale of shares in the Company to the Third Party Offeror on the terms of the Third Party Offer and subject to payment of the relevant offer price to them shall as soon as reasonably practicable execute and deliver the necessary instruments of transfer in respect of their shares in the Company necessary to give effect to the Third Party Offer.

### **DRAG ALONG**

14

- (a) If an Investor receives a Third Party Offer which is conditional upon the offeror being able to acquire a greater proportion of the share capital of the Company than is at that time held by that Investor, the Investor may give notice (a **Compulsory Sale Notice**) to all (but not some only) of the other members of the Company giving details of the Third Party Offer (including the proposed price, the minimum number of shares required and the place, date and time of completion of the proposed purchase being a date not less than 14 days from the date of the Compulsory Sale Notice).
- (b) Each member who is given a Compulsory Sale Notice shall sell all of his shares to the proposed purchaser at the price per share and on the terms specified in the Third Party Offer.
- (c) If any member fails to complete such sale at the appointed place and time, the provisions of Article 12(j) shall apply as if such member were a defaulting Offering Member The Company shall not pay the purchase money (which shall not attract interest) due to any member given a Compulsory Sale Notice until he shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his share certificate or a suitable indemnity and the necessary transfers to the Company No member shall be required to comply with a Compulsory Sale Notice unless the Investor shall sell the its shares to the Third Party Offeror at completion, subject at all times to the Investor being able to withdraw the Sale Notice at any time prior to completion by giving notice to the Company to that effect, whereupon each Compulsory Sale Notice shall cease to have effect.

## GENERAL MEETINGS

- 15 All general meetings of the Company shall be held within the United Kingdom. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and at all times throughout the meeting thereafter, two members holding Ordinary Shares present in person or by proxy (or, being a corporation, by representative) shall be a quorum Provided That if at an adjourned meeting a quorum for the purposes of the foregoing provisions of this Article is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved. Regulation 41 of Table A shall be read and construed accordingly.
- 16 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any member holding Ordinary Shares present in person or by proxy. On a show of hands votes may be given either personally or by proxy.
- 17 Unless a poll is demanded as provided in Article 16, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the Minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution The demand for a poll may be withdrawn.
- 18 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.
- 19 Subject to the Act, a resolution in writing signed by all the members for the time being entitled to vote shall be as effective for all purposes as a resolution duly passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more members In the ease of a corporation the resolution may be signed on its behalf by a director thereof or by its duly appointed or duly authorised representative.

## DIRECTORS

- 20 The minimum number of directors shall be three and the maximum number shall be fifteen.
- 21
- (a) The Investors holding a majority of Investor Shares shall be entitled at any time and from time to time to appoint one or (subject to Articles 21(b) below) more Investor Directors to be directors of the Company and to remove *all or any of those directors* and appoint others in their place.

- (b) The maximum number of Investor Directors which the Investors shall be entitled to appoint at any time shall be such number (in relation to the total number of directors of the Company from time to time) as represents most closely the same proportion which the Investor Shares bears to the aggregate number of Ordinary Shares in issue for the time being. In the event that (either because the total number of directors falls or the proportion of issued Ordinary Shares held by the Investor falls) the number of Investor Directors would exceed that maximum then the appropriate number of Investor Directors shall automatically cease to be directors of the Company (the Investor Directors so ceasing being selected in reverse order of seniority of appointment or, in case of equality, by lot).
- (c) Any appointment or removal of an Investor Director under Article 21(a) shall be by instrument in writing signed by or on behalf of the relevant Investors served on the Company and shall take effect on and from the date on which such instrument is lodged or deposited at the registered office of the Company.

22

- (a) The members in the Company excluding the Investor (the **Minority**) holding a majority of the Ordinary Shares excluding the Investor Shares shall be entitled at any time and from time to time to appoint one or (subject to Articles 22(b) below) more Minority Directors to be directors of the Company and to remove all or any of those directors and appoint others in their place.
- (b) The maximum number of Minority Directors which the Minority shall be entitled to appoint at any time shall be such number (in relation to the total number of directors of the Company from time to time) as represents most closely the same proportion which the Ordinary Shares held by the Minority at that time bears to the aggregate number of Ordinary Shares in issue for the time being. In the event that (either because the total number of directors falls or the proportion of issued Ordinary Shares held by the Minority falls) the number of Minority Directors would exceed that maximum then the appropriate number of Minority Directors shall automatically cease to be directors of the Company (the Minority Directors so ceasing being selected in reverse order of seniority of appointment or, in case of equality, by lot).
- (c) Any appointment or removal of a Minority Director under Article 22(a) shall be by instrument in writing signed by or on behalf of the relevant members constituting the Minority served on the Company and shall take effect on and from the date on which such instrument is lodged or deposited at the registered office of the Company.

23 The quorum necessary for the transaction of business of the directors shall be two, at least one of whom shall (if he is in office or unless he otherwise agrees in writing) be an Investor Director.

- (a) The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that unless otherwise agreed by all the directors at the time as regards the meeting concerned all meetings of the directors shall be held within the United Kingdom. A director may, and the Secretary on the requisition of a director shall, at any time summon a meeting of the Board. Save in the case of an emergency and unless all the directors (or their duly appointed alternates) shall agree to the holding of a meeting by shorter notice, at least seven days' notice of every meeting of directors shall be given either in writing or by cable or telex or facsimile or (to the extent they are available) e-mail or other similar means of visible communication to each director.
    - (b) Any director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other directors present at such meeting whether in person or by means of such type of communication device, to hear or hear and see at all times such director and such director to hear at all times all other directors present at such meeting (whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
  - 25 A person may be appointed a director notwithstanding that he shall have attained the age of seventy years and no director shall be liable to vacate office by reason of his attaining that or any other age.
  - 26 At any meeting of the directors:
  - 26.1 each director present shall have one vote;
    - (a) the senior Investor Director present shall have such number of additional votes (if any) as is equal to the difference between the number of Investor Directors present and the maximum number of Investor Directors that would be permitted under Article 21 (whether or not such entitlement has or has not been exercised);
    - (b) the senior Minority Director present shall have such number of additional votes (if any) as is equal to the difference between the number of Minority Directors present and the maximum number of Minority Directors permitted under Article 22 (whether or not such entitlement has or has not been exercised); and
    - (c) the Chairman shall not be entitled to a second or casting vote.
- For this purpose, in case of equality, the senior such director(s) shall be chosen by lot.
- 27 Subject to the provisions of Section 317 of the Act a director may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a director. A director shall also be capable of voting in respect of such contract or

arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the arrangement of the terms thereof and may be counted in the quorum at any meeting at which any such matter is considered.

- 28 In Regulation 79 of Table A the last two sentences shall be deleted.
- 29 A resolution in writing signed by all the directors shall be as *effective for all* purposes as a resolution passed at a meeting of the directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the directors.
- 30 The directors may by resolution exercise all the powers of the Company to make provision (in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any subsidiary of the Company) for the benefit of persons employed or formerly employed by the Company or that subsidiary.
- 31 A director shall not require a share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company.
- 32 Without prejudice to the powers of the Company under Section 303 of the Act to remove a director by ordinary resolution, the holder or holders for the time being of more than one half in nominal value of the issued ordinary shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a director or directors, either as an addition to the existing directors or to fill any vacancy, and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same, or in the case of a member being a company signed on its behalf by one of its directors, and shall take effect upon lodgement at the registered office of the Company.

## **BORROWING POWERS OF DIRECTORS**

33

- (a) Subject as otherwise provided in these Articles, the directors may exercise all the powers of the Company to borrow money, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of these Articles and of the Act, to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (b) In this Article the expression borrowings shall include any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent, incurred in respect of:
  - (a) money borrowed or raised;

- (b) any bond, note, loan stock, debenture or similar instrument;
- (c) acceptance or documentary credit facilities;
- (d) foreign exchange options;
- (e) rental payments under leases and hire purchase agreements and instalments under conditional sale agreements (in all cases whether in respect of land, machinery, equipment or otherwise) entered into primarily as a method of raising finance or of financing the acquisition or use of the asset concerned;
- (f) guarantees, indemnities, bonds, standby letters of credit or other instruments issued in connection with the performance of contracts and or in respect of the indebtedness of any other person; and
- (g) the amount paid up on any share capital of any subsidiary of the Company (other than equity share capital) not for the time being owned by the Company or any subsidiary thereof.

## **NOTICES**

34

- (a) Every director of the Company shall, upon supplying the Company with an address for the giving of notices therefore, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any director shall not invalidate the proceedings at the general meeting convened by such notice.
- (b) A notice may be given:
  - i. by the Company to any member or director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or by facsimile or other means of visible communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or
  - ii. to the Company for the purpose of these Articles by like method at its registered office for the time being where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of seventy-two hours after the letter containing the same is posted, where a notice is sent by facsimile or other means of visible communication, service of the notice shall be deemed to be effected forthwith Notwithstanding anything else provided in these Articles any director who has not given an address for service to the Company shall not be entitled to notices hereunder.



## **INDEMNITY**

- 35 Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Sections 144 and 727 of the Act, in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

## **LIABILITY OF MEMBERS**

- 36 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.