

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
J P WESTALL LIMITED (the "Company") (CRN: 4017646)**

(Adopted by special resolution passed on 10th July 2023)

Introduction

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006

Appointor has the meaning given in article 11.1

Articles means the Company's articles of association for the time being in force

Bad Leaver means a person who ceases to be an Employee as a consequence of:

- a) such person's resignation as an Employee, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or
- b) that person's dismissal as an Employee for cause, where "cause" shall mean:
 - i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct; or
 - ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996

Board means the board of directors of the Company from time to time

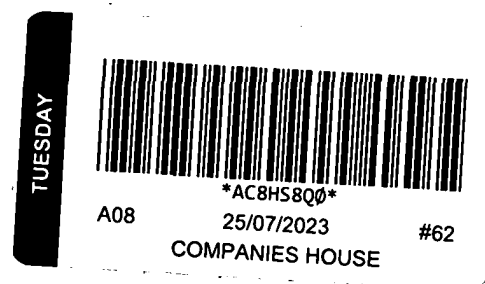
Business Day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business

Conflict: has the meaning given in article 7.1

Controlling Interest means an interest (within the meaning of sections 820-825 of the Act) in shares in a company conferring in aggregate more than 50 per cent of the total voting rights conferred by all the shares in that company from time to time and conferring the right to vote at all general meetings of that company

Deemed Transfer Notice means a Transfer Notice which is deemed to have been served by any of the provisions of these Articles

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



Effective Termination Date means the date on which the Employee's employment or consultancy terminates

Employee means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group

Employee Shares in relation to an Employee means all Shares (other than the Retained Shares) held by:

- a) the Employee in question; and
- b) any Permitted Transferee of that Employee

Fair Value means in relation to shares, the amount determined in accordance with Article 21.5

Family Trusts means in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder (**Settlor**) and/or the Settlor's Privileged Relations

Good Leaver means a person who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the Board (acting with the consent of a Shareholder Majority) determines that a person is not a Bad Leaver

Group means the Company and its Subsidiary Undertaking(s) (if any) from time to time and "**Group Company**" shall be construed accordingly

Independent Expert means an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales, whose decision shall, save in the case of manifest error, be final and binding

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles

Permitted Transfer means a transfer of Shares in accordance with article 24

Permitted Transferee means in relation to a Shareholder, any of his Privileged Relations or the trustees of his Family Trusts

Privileged Relation means the spouse, widow or widower of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children)

Retained Shares means any Shares held by an Employee prior to 3 March 2016

Shareholder means any holder for the time being of shares in the capital of the Company

Shareholder Majority means Shareholders who together hold at least 75% of the total votes which would be exercisable by all Shareholders on a poll vote at a duly convened general meeting of the Company

Shares means ordinary shares of £1.00 each in the capital of the Company

Subsidiary Undertaking shall have the meaning set out in section 1162 of the Act.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles,

subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
 - 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary (if any)" before the words "properly incur".
- 1.11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

2 UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

2.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

2.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

3 CALLING A DIRECTORS' MEETING

3.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

3.2 Notice of a directors' meeting shall be given to each director in writing.

4 QUORUM FOR DIRECTORS' MEETINGS

4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.

4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 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) shall be one Eligible Director.

4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

4.3.1 to appoint further directors; or

4.3.2 to call a general meeting so as to enable the Shareholders to appoint further directors or amend the Articles.

5 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 shall have a casting vote.

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

6.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

- 6.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 6.1.6 shall not, save as 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7 DIRECTORS' CONFLICTS OF INTEREST

- 7.1 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**).
- 7.2 Any authorisation under this article 7 will be effective only if:
 - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
 - 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 7.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to

disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 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.

7.5 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.

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit 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.

8 RECORDS OF DECISIONS TO BE KEPT

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

9 NUMBER OF DIRECTORS

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

10 APPOINTMENT OF DIRECTORS

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

11 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

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

11.1.1 exercise that director's powers; and

11.1.2 carry out that director's responsibilities,

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

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

11.3 The notice must:

11.3.1 identify the proposed alternate; and

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

12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

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

- 12.2 Except as the Articles specify otherwise, alternate directors:

- 12.2.1 are deemed for all purposes to be directors;
- 12.2.2 are liable for their own acts and omissions;
- 12.2.3 are subject to the same restrictions as their Appointors; and
- 12.2.4 are not deemed to be agents of or for their Appointors

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

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

- 12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- 12.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
- 12.3.3 shall not be counted as more than one director for the purposes of articles 12.3(a) and (b).

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

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

13 TERMINATION OF ALTERNATE DIRECTORSHIP

- 13.1 An alternate director's appointment as an alternate terminates:

- 13.1.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 13.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;
- 13.1.3 on the death of the alternate's Appointor; or

13.1.4 when the alternate's Appointor's appointment as a director terminates.

14 SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

15 POLL VOTES

15.1 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.

15.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

16 PROXIES

16.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

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

17 MEANS OF COMMUNICATION TO BE USED

17.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

17.1.1 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;

17.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

17.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

17.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

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

18 INDEMNITY

18.1 Subject to article 18.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

18.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(b) in relation to the Company's (or any associated Company's) activities (if any) 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

18.1.2 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 18.1.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

18.2 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.

18.3 In this article:

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

18.3.2 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).

19 INSURANCE

19.1 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.

19.2 In this article:

19.2.1 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);

19.2.2 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

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

20 FURTHER ISSUE OF SHARES: PRE-EMPTION RIGHTS

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

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

20.1.2 may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.

20.2 Any equity securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 20.1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 20.1. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to Shareholders in accordance with Article 20.1 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the Shareholders.

20.3 Subject to Articles 20.1 and 20.2 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

21 TRANSFER OF SHARES: PRE-EMPTION RIGHTS

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

21.2 Subject to the provisions of Article 22, Article 23, Article 24 and Article 25 any transfer of shares by a Shareholder shall be subject to the pre-emption rights in this Article.

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

21.3.1 the number of Sale Shares;

- 21.3.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
 - 21.3.3 the price (in cash) at which he wishes to sell the Sale Shares (which will, subject to Article 21.4, be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)); and
 - 21.3.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**) (and for the avoidance of doubt a Deemed Transfer Notice shall not be subject to a Minimum Transfer Condition).
- 21.4 If the Fair Value of the Sale Shares cannot be agreed within 15 Business Days of the proposed sale, transfer or other disposition referred to in article 21.3 between the proposed Seller and the Board, it may be referred to the Independent Expert by the Board or the Seller and, pending its determination, the sale, transfer or other disposition referred to in article 21.3 shall have no effect. The costs of the Independent Expert shall be borne as the Independent Expert shall determine.
- 21.5 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 21.5.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 21.5.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 21.5.3 that the Sale Shares are capable of being transferred without restriction;
 - 21.5.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 21.5.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 21.6 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 21.7 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 21.8 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 21 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 21.9 The Board shall offer :
- 21.9.1 the Sale Shares first to the Company which shall be entitled to acquire all or any of them, subject to compliance with the Act in respect of such acquisition, and if within 20 Business Days of the offer being made, the Company has offered to acquire some only of the Sale Shares, in accordance with and subject to the Act, or has not responded to the offer at all or has declined the offer; then

- 21.9.2 any Sale Shares not taken up by the Company to all Shareholders other than the Seller (the **Continuing Shareholders**) in proportion to the Continuing Shareholder's Shareholdings, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy (and references to Sale Shares shall be to that number of Sale Shares offered by the Seller less any taken up by the Company under article 21.9.1 as the context may require).
- 21.10 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 21.11 to article 21.14 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 21.11 If:
- 21.11.1 at the end of the First Offer Period, the total number of Sale Shares applied for by the Continuing Shareholders is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- 21.11.2 not all Sale Shares are allocated following allocations in accordance with article 21.11.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 21.11.1. The procedure set out in this article 21.11.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 21.11.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 21.12.
- 21.12 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 21.13 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

21.14 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with article 21.19.

21.15 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 21.11 to article 21.14, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

21.16 If:

21.16.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and

21.16.2 allocations under article 21.11 to article 21.14 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

21.17 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

21.18 If the Seller fails to comply with article 21.17:

21.18.1 the Chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

21.18.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

21.19 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 21.15 then, subject to article 21.20 and within 12 weeks following service of

the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 21.19 shall continue to be subject to any Minimum Transfer Condition. However, if the Sale Shares were offered under a deemed Transfer Notice, they may not be sold or transferred to any third party unless the relevant shareholder serves a further Transfer Notice under Article 21.3.

21.20 The Seller's right to transfer Sale Shares under article 21.19 does not apply if the Board reasonably considers that:

21.20.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company or with a subsidiary of the Company; or

21.20.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

21.20.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.

21.21 A Shareholder may waive in writing the rights conferred on him under this Article in relation to any proposed transfer.

21.22 Where the Company takes up the offer referred to in article 21.9.1 but fails to complete, in accordance with the Act, the acquisition of the relevant Sale Shares within 3 months of the offer being made, its rights to acquire the Sale Shares shall automatically cease and a Transfer Notice shall be deemed served at that point in respect of the relevant Sale Shares and article 21.9.1 shall not apply in respect of any such Transfer Notice.

22 DRAG ALONG

22.1 If a Shareholder Majority (**Selling Shareholders**) wish to transfer all their interest in shares (**Sellers' Shares**) to a bona fide arms length purchaser (**Third Party Purchaser**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other Shareholders (**Called Shareholders**) to sell and transfer all their shares on the same terms to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this article.

22.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article) and the proposed date of transfer. The consideration for which each Called Share, is to be transferred shall be the price per share at which the relevant transfer of Sellers' Shares referred to in article 22.1 takes place.

22.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice. No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this article.

- 22.4 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:
- 22.4.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or
- 22.4.2 that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.
- 22.5 The rights of pre-emption set out in article 21 shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 22.6 If any Shareholder does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by them the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the Directors shall forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof. After the Third Party Purchaser (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced.
- 22.7 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Shareholder save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Shareholder.

23 TAG ALONG

- 23.1 Notwithstanding any other provision in these articles, no sale or transfer or other disposition of any interest in any shares (**Specified Shares**) shall have any effect if it would result in a Controlling Interest being obtained in the Company by any person or group of persons acting in concert unless, before the sale, transfer or other disposition takes effect, the proposed transferee has made a bona fide offer in accordance with this article 23.1 to purchase at the specified price (defined in article 23.3) all the shares held by all the other Shareholders (except any Shareholder which has expressly waived in writing its right to receive such offer for the purpose of this article).
- 23.2 An offer made under article 23.1 shall be in writing, open for acceptance for at least 30 days and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the time period for acceptance.
- 23.3 For the purpose of article 23.1:
- 23.3.1 the expression **transfer** shall include the renunciation of a renounceable letter;
- 23.3.2 the expression **specified price** means, a price per share equal to the highest price paid (or payable pursuant to such bona fide offer referred to in article) by the transferee or persons acting in concert with him or connected with him for any shares within the last 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the

specified shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the Specified Shares.

23.4 If the specified price or its cash equivalent for any shares cannot be agreed within 15 Business Days of the proposed sale, transfer or other disposition referred to in article 23.1 between the proposed transferee and the Shareholder Majority (excluding the transferee and persons who have waived their right to receive an offer), it may be referred to the Independent Expert by any Shareholder and, pending its determination, the sale, transfer or other disposition referred to in article 23.1 shall have no effect. The costs of the Independent Expert shall be borne as the Independent Expert shall determine.

23.5 The rights of pre-emption set out in these articles shall not arise on any transfer of shares made in accordance with articles 23.1 to 23.4 inclusive. Further, the provisions of article 20.1 shall not apply where a Drag Along Notice has been served.

24 PERMITTED TRANSFER

24.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

24.2 Where Shares are held by the trustees of a Family Trust, the trustees may transfer Shares to:

24.2.1 the Original Shareholder;

24.2.2 another Privileged Relation of the Original Shareholder;

24.2.3 another Family Trust of which the Original Shareholder is the Settlor; or

24.2.4 to the new (or remaining) trustees upon a change of trustees of a Family Trust

without any price or other restriction.

24.3 A transfer of Shares may only be made to a Family Trust if a Shareholder Majority is satisfied:

24.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustees;

24.3.2 with the identity of the proposed trustees;

24.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

24.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

24.4 If a Permitted Transfer is made to the spouse of the Original Shareholder, the Permitted Transferee shall within 21 Business Days of ceasing to be the spouse of the Original Shareholder (whether by reason of divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which a Deemed Transfer Notice shall be given in respect of the relevant Shares.

24.5 Where, under a deceased Shareholder's will (or the laws as to intestacy), the persons legally or beneficially entitled to any Shares (whether immediately or contingently) are Privileged Relations of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Shares to those Privileged Relations who are Permitted Transferees, in each

case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 24.4 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without any price or other restriction.

- 24.6 Subject to Article 24.4, on the death, bankruptcy or liquidation of a Permitted Transferee (other than a joint holder), his personal representatives, trustee in bankruptcy or its liquidator shall execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee (without any price or other restriction) within 21 Business Days after the date of the grant of probate, the making of the bankruptcy order or the passing of a resolution or making of an order for winding up. The transfer shall be to the Original Shareholder, if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 21 Business Days of that period, or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator shall be deemed to have given a Transfer Notice.

25 **COMPULSORY TRANSFERS**

- 25.1 A Shareholder is deemed to have served a Transfer Notice under article 21.3 immediately before any of the following events:

- 25.1.1 a petition being presented, or an order being made, for the Shareholder's bankruptcy; or
- 25.1.2 an application to the court being made under section 253 of the Insolvency Act 1986 where the Shareholder intends to make a proposal to his creditors for a voluntary arrangement; or
- 25.1.3 the Shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
- 25.1.4 the Shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- 25.1.5 the Shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986.

- 25.2 Unless the Board and a Shareholder Majority determine that this Article 25.2 shall not apply, if an Employee ceases to be an Employee, the relevant Employee shall be deemed to have given a Transfer Notice in respect of all the Employee Shares on the Effective Termination Date. In such circumstances the Transfer Price shall be as follows:

- 25.2.1 where the relevant Employee ceases to be an Employee by reason of being a Bad Leaver, the lower of the Fair Value and the original subscription price of the Employee Shares; and
- 25.2.2 where the relevant Employee ceases to be an Employee by reason of being a Good Leaver, the Fair Value.

For the purposes of this Article the Fair Value shall be as agreed between the Board and the relevant Employee or failing agreement within 5 Business Days of seeking to agree such price, shall be as determined in accordance with Articles 21.4 and 21.5.

- 25.3 All voting rights attached to Employee Shares held by an Employee or by any Permitted Transferee of that Employee shall at the time he ceases to be an Employee be suspended until

such Employee Shares are transferred in accordance with these Articles (in which event such rights shall be automatically restored).

25.4 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death, the Directors may require the legal personal representatives of that deceased Shareholder either:

25.4.1 to effect a Permitted Transfer of those Shares (including an election to be registered in respect of the Permitted Transfer); or

25.4.2 to show, to the satisfaction of the Directors, that a Permitted Transfer will be effected before (or promptly on) the completion of the administration of the estate of the deceased Shareholder.

If either paragraph 25.4.1 or paragraph 25.4.2 of this Article 25.4 is not fulfilled to the satisfaction of the Directors, a Deemed Transfer Notice shall be given in respect of each such Share.