

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BRIDGES & BUCKLE BUILDING & JOINERY LIMITED

CRN: 05205914

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Introduction

1 Interpretation

1.1 In these Articles, the following words have the following meanings:

"A Ordinary Shareholder"	The shareholder(s) holding the A Ordinary Shares;
"A Ordinary Shares"	the A Ordinary Shares of £1.00 each in the capital of the Company;
"Allocation Notice"	has the meaning given in article 15.7;
"Applicant"	has the meaning given in article 15.7;
"Appointor"	has the meaning given in article 11.1;
"Articles"	the Company's articles of association for the time being in force;
"B Ordinary Shareholder"	the shareholder(s) holding the B Ordinary Shares;
"B Ordinary Shares"	the B Ordinary Shares of £1.00 each in the capital of the Company;
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
"C Ordinary Shareholder"	The shareholder(s) holding the C Ordinary Shares;
"C Ordinary Shares"	the C Ordinary Shares of £1.00 each in the capital of the Company;
"CA 2006"	the Companies Act 2006;
"Called Shares"	has the meaning given in article 18.1;
"Conflict"	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly

	may conflict, with the interests of the Company;
"Continuing Shareholder(s)"	<p>In respect of an A Ordinary Shareholder wishing to transfer its shares, the holder(s) of the B Ordinary Shares;</p> <p>In respect of B Ordinary Shareholder wishing to transfer its shares, the holder(s) of the A Ordinary Shares;</p> <p>In respect of a C Ordinary Shareholder wishing to transfer its shares, the holder(s) of the A Ordinary Shares; and</p> <p>In respect of a D Ordinary Shareholder wishing to transfer its shares, the holder(s) of the B Ordinary Shares.</p>
"D Ordinary Shareholder"	The shareholder(s) holding the D Ordinary Shares;
"D Ordinary Shares"	the D Ordinary Shares of £1.00 each in the capital of the Company;
"Deemed Transfer Notice"	has the meaning given in articles 16;
"Departing Employee Shareholder"	an Employee Shareholder who ceases to be a director or employee of the Company (other than by reason of death);
"Drag Along Notice"	has the meaning given in article 18.1;
"Drag Along Option"	has the meaning given in article 18.1;
"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);

"Employee Shareholder"	A shareholder who is, or has been, a director and/or an employee of the Company;
"Fair Value"	in relation to shares, as determined in accordance with article 17;
"Interested Director"	has the meaning given in article 8.1;
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;
"Offer Period"	has the meaning given in article 15.5;
"Offeree"	has the meaning given in article 15.5;
"Proposed Buyer"	has the meaning given in article 18.1;
"Proposed Sale Price"	has the meaning given in article 15.1;
"Sale Shares"	has the meaning given in article 15.1;
"Seller"	has the meaning given in article 15.1;
"Selling Shareholder"	has the meaning given in article 18.1;
"Sellers' Shares"	has the meaning given in article 18.1;
"Shareholder Consent"	the prior written consent of the holder(s) for the time being of not less than 100% by nominal value of all A Ordinary Shares and B Ordinary Shares;
"Transfer Notice"	has the meaning given in article 15.1;
"Transfer Price"	has the meaning given in article 15.3;
"Valuers"	an independent firm of accountants jointly appointed

by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 20 Business Day period referred to in article 15.5, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

"Voting Shareholder"

the A Ordinary Shareholder and the B Ordinary Shareholder;

"Voting Shares"

The A Ordinary Shares and the B Ordinary Shares;

"Writing or written"

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;

- 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 CA 2006 shall have those 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 or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

- 1.7 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2 Adoption of the Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the holder was party at the time of his death" after the words "subject to the articles".
- 2.6 Model Article 28(2) shall be amended by the deletion of the word "If" and the insertion of the words "Subject to the articles and to any other agreement to which the holder was party at the time of his death, if" in its place.
- 2.7 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3 Directors' meetings

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Each director has one vote at a meeting of directors.

4 Unanimous decisions of directors

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

5 Number of directors

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

6 Calling a directors' meeting

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as the directors may agree) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:

6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting;
and

6.2.2 copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7 **Quorum for directors' meetings**

7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two Eligible Directors (or their alternates).

7.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 10 Business Days at the same time and place.

8 **Directors' interests**

8.1 For the purposes of section 175 of the CA 2006, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.

8.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.

8.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

- 8.3.2 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;
- 8.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
- 8.3.5 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
- 8.3.6 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.

8.4 Where the shareholders authorise a Conflict:

- 8.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
- 8.4.2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the CA 2006, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.

8.5 The shareholders 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.

- 8.6 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 shareholders in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8.7 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 8.8 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 8.7.
- 8.9 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with article 8.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 8.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 8.9.2 shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 8.9.3 shall be entitled to vote at a meeting of directors or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;

- 8.9.4 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;
- 8.9.5 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
- 8.9.6 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 CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement 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 CA 2006.

9 Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

10 Appointment of directors

- 10.1 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have 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 Alternate directors

- 11.1 Any director (other than an alternate director) (the Appointor) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor.

- 11.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) 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 he is willing to act as the alternate of the director giving the notice.
- 11.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 11.5 Except as the Articles specify otherwise, alternate directors:
- 11.5.1 are deemed for all purposes to be directors;
 - 11.5.2 are liable for their own acts and omissions;
 - 11.5.3 are subject to the same restrictions as their Appointors; and
 - 11.5.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors.
- 11.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:
- 11.6.1 Be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
 - 11.6.2 Participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 11.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible

Director in relation to that decision), in addition to his own vote on any decision of the directors.

11.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

11.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

11.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or

11.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or

11.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

12 **Secretary**

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

Shares

13 **Share capital**

13.1 The share capital of the Company shall be divided into A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares having the rights and restrictions set out in these Articles.

13.2 Except as otherwise provided in these Articles, the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

13.3 If and so long as the share capital of the Company is divided into different classes of shares:

13.3.1 the directors may, subject to the provisions of the Act, pay interim dividends; and

13.3.2 the Company, on the recommendation of the directors, may declare dividends

at variable rates on the different classes of Shares to the exclusion of the other classes of Shares out of any profits available for distribution within the meaning of Part 23 the Act.

14 **Share transfers: general**

14.1 In these Articles, 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.

14.2 No shareholder shall transfer any share except:

14.2.1 a shareholder may transfer his shares in the Company for cash in accordance with the procedure set out in article 15 (**Pre-emption rights on the transfer of shares**); or
or

14.2.2 in accordance with article 16 (**Compulsory Transfers**); or

14.2.3 in accordance with article 18 (**Drag Along**); or

14.2.4 with Shareholder Consent.

14.3 Subject to article 14.4, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

14.4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or

similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

14.5 Any transfer of shares by way of a sale under these Articles shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

14.6 Any Transfer Notice served in respect of the transfer of any shares which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

15 Pre-emption rights on the transfer of shares

15.1 Except where the provisions of article 16 (**Compulsory Transfers**) and article 18 (**Drag Along**) apply, a shareholder (**Seller**) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including:

15.1.1 the number of Shares he wishes to transfer (**Sale Shares**);

15.1.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and

15.1.3 the price per Sale Share (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).

15.2 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.

15.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the transfer price (the "**Transfer Price**") of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 20 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

15.4 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in this agreement, be the price per Sale Share (in cash) agreed

between the Seller and the directors, acting with Shareholder Consent, or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 17.

15.5 As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with article 15.7) offer the Sale Shares for sale to the Continuing Shareholder(s) (excluding any shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

15.6 If:

15.6.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). 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 Offerees shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

15.6.2 not all Sale Shares are allocated following allocations in accordance with clause 15.6.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in clause 15.6.1. The procedure set out in this clause 15.6.2 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

15.6.3 at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the directors shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may, with Shareholder Consent, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with clause 15.13.

15.7 The directors shall, when no further offers or allocations are required to be made under article 15.6, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to each 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 and the place and time for completion of the transfer of the Sale Shares (which shall be at least 20 Business Days, but not more than 60 Business Days, after the date of the Allocation Notice).

15.8 On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicants or the directors may reasonably require to show good title to the Sale Shares, or to enable each of them to be registered as the holder of the Sale Shares.

15.9 Subject to article 15.6 if, following a sale of Shares in accordance with these Articles, a shareholder will hold no further Shares (excluding any Shares held by his personal representatives and successors) the shareholder shall deliver, or procure that there are delivered, to the Company his resignation as a director of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares.

15.10 If the Seller fails to comply with article 15.8:

15.10.1 the chairman of the board (or, failing him, any other director of the Company or some other person nominated by a resolution of the directors) may, as attorney 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 Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and

15.10.2 the Company shall pay the Transfer Price 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 directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.

15.11 If any Applicant fails to pay the Transfer Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to 2% per annum above the base rate of National Westminster Bank Plc from time to time.

15.12 Each shareholder shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration of each transfer of Sale Shares under this article 15 (subject to due stamping of a transfer by the relevant Applicant(s)) and each of them consents to such transfers and registrations.

15.13 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may (with Shareholder Consent) at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per Share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third party buyer if that buyer was not identified in the Transfer Notice (save with Shareholder Consent).

16 Compulsory transfers

16.1 Within the period commencing on the date on which any of the following events occurs and expiring at midnight on the first anniversary of such date, the majority of the Voting

Shareholders (other than the shareholder subject to the event) may serve a notice on the shareholder subject to the event notifying him that he is deemed immediately before such event to have served one or more Transfer Notices in respect of such number of his shares as is specified in the notice (**Deemed Transfer Notice**):

- 16.1.1 the shareholder's death;
- 16.1.2 an order being made for the shareholder's bankruptcy or an arrangement or composition being proposed with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;
- 16.1.3 the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding;
- 16.1.4 the shareholder (being an Employee Shareholder) becoming a Departing Employee Shareholder;
- 16.1.5 the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of a majority of the other Voting Shareholders requiring such remedy;
- 16.1.6 in respect of the C Ordinary Shareholder, if the C Ordinary Shareholder ceases to be spouse of the A Ordinary Shareholder; or
- 16.1.7 in respect of the D Ordinary Shareholder, if the D Ordinary Shareholder ceases to be spouse of the B Ordinary Shareholder.

16.2 The Deemed Transfer Notice has the same effect as a Transfer Notice and the shareholder subject to any of the events in articles 16.1.1 to 16.1.7 shall be a Seller, except that the Deemed Transfer Notice takes effect on the basis that it does not:

- 16.2.1 identify a proposed buyer; and
- 16.2.2 state a price for the Sale Shares and the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 17.

- 16.3 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without Shareholder Consent.

17 **Valuation**

- 17.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.

- 17.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

17.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;

17.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

17.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;

17.2.4 the Sale Shares are sold free of all encumbrances;

17.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and

17.2.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.

- 17.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.

- 17.4 To the extent not provided for by this article 17, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 17.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 17.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller in such other proportions as the Valuers direct unless the Seller withdraws the relevant Transfer Notice in accordance with article 15.4, in which case the Seller shall bear the cost.

18 **Drag along**

- 18.1 If the holders of not less than 75% by nominal value of the Voting Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their respective shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other holders of shares in the Company to sell and transfer their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Selling Shareholders' shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 18.2.1 that the relevant Called Shareholder is required to transfer all of his Called Shares pursuant to this article 18;
 - 18.2.2 the person to whom the Called Shares are to be transferred;
 - 18.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Selling Shareholders' shares; and
 - 18.2.4 the proposed date of the transfer.
- 18.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their respective shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling

Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 18.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date on which the Selling Shareholder sells the Selling Shareholders' shares unless the Selling Shareholder and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them.
- 18.6 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form(s) for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 18.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their shares.
- 18.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 18.7) transfer(s) in respect of all of the Called Shares held by him, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of

such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article18.9.

Decision making by shareholders

19 Quorum for general meetings

19.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, each of whom shall be a Voting Shareholder or his proxy.

19.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

20 Voting

20.1 The voting rights attached to each class of Shares shall be as set out in this Article.

20.2 On a show of hands, every shareholder holding one or more Voting Share who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote.

20.3 On a poll, every shareholder holding one or more Voting Share who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Voting Share of which he or she is the holder.

20.4 The C Ordinary Shares and D Ordinary Shares shall not carry any rights to vote (either on a show of hands or a poll).

Administrative arrangements

21 Means of communication to be used

21.1 Subject to article 21.2, any notice, document or other information shall be deemed received by the intended recipient:

21.1.1 if delivered by hand, on signature of a delivery receipt;

21.1.2 if sent by pre-paid first class post or other next working day delivery service at 9.00 am on the second Business Day after posting; or

21.1.3 if sent by email at the time it is sent.

21.2 If deemed receipt under article 21.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this article, **Usual Business Hours** means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information (which, in the case of service by fax or email shall be deemed to be the same place as is specified for service of notices, documents or other information on the relevant recipient by hand or post).

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

21.3.1 if delivered by hand, the notice was delivered to the correct address;

21.3.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted;

21.3.3 if sent by fax, a transmission notice was received confirming that the notice was successfully transmitted to the correct fax number; or

21.3.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

21.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

22 Indemnity and insurance

22.1 Subject to article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

22.1.1 each relevant officer of the Company 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 activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

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 affairs; and

22.1.2 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 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law and any such indemnity is limited accordingly.

22.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

22.4 In this article:

22.4.1 a "relevant officer" means any director or other officer of the Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the CA 2006), but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

22.4.2 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 or any pension fund of the Company.