

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
ACCESSORIES 4 TECHNOLOGY LIMITED

(Company Registration Number: 05390739)

(Adopted by special resolution passed on the 16<sup>th</sup> day  
of September 2021)

## INTRODUCTION

### 1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

**"A" Shares:** the "A" Ordinary Shares of £1.00 each in the issued share capital of the Company from time to time.

**Act:** means the Companies Act 2006;

**Acting in Concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).

**Appointor:** has the meaning given in article 9.1;

**Articles:** means the company's articles of association for the time being in force;

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act;

**"B" Shares:** the "B" Ordinary Shares of £1.00 each in the issued share capital of the Company from time to time.

**Bankruptcy Event:** a bankruptcy petition being presented or an order being made for the bankruptcy of a Shareholder or an arrangement or composition being proposed or made with any of his/her creditors or where he/she otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.

**Board:** the board of Directors of the Company as constituted 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;

**Civil Partner:** in relation to a Shareholder, a civil partner as defined in the Civil Partnership Act 2004.

**Controlling Interest:** an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Deemed Transfer Notice:** A Transfer Notice that is deemed to have been served under article 18 or in accordance with the provisions of the Shareholders Agreement.

**Director:** a director of the Company from time to time;

**Fair Value:** in relation to shares, as determined in accordance with article 14.3;

**Family Trust:** in relation to a Founder Shareholder, a trust set up wholly for the benefit of that Founder Shareholder and/or that Founder Shareholder's Privileged Relations.

**Financial Year:** in relation to the Company, means a financial accounting period of 12 months ending on the 31<sup>st</sup> December;

**Founder Shareholders:** has the meaning given in the Shareholders Agreement;

**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;

**Ordinary Shareholder:** means the holder of any "A" Shares or any "B" Shares.

**Permitted Transfer:** a transfer of Shares made in accordance with article 16.

**Permitted Transferee:** in relation to a Founder Shareholder, any of his Privileged Relations or the trustees of his Family Trust(s).

**Privileged Relation:** the spouse or Civil Partner of a Founder Shareholder and the Founder Shareholder's children and grandchildren (including step and adopted children and grandchildren).

**Redeemable Shares:** the Redeemable Ordinary Shares of £1.00 each in the capital of the Company and **Redeemable Shareholder** means the holder of any Redeemable Shares;

**Sale:** sale of the entire issued share capital of the Company or all or substantially all of the assets of the Company.

**Sale Price:** the Proposed Sale Price or, the price per Sale Share determined in accordance with article 16.5;

**Seller:** has the meaning given in article 16.3;

**Shareholder:** each person holding shares in the capital of the Company from time to time together with their respective successors and assigns and **Shareholders** means all of them together.

**Shareholders Agreement:** a shareholders agreement to be entered to on or about the date of adoption of these Articles between the Shareholders of the Company;

**Shareholder Consent:** the prior written consent of all Founder Shareholders.

**Shares:** the "A" Shares, the "B" Shares and the Redeemable Shares together.

**Transfer Notice:** has the meaning given in article 16.3;

**Valuers:** the auditors for the time being of the Company, or if they decline the instruction an independent firm of accountants appointed by the Seller and the Board or, in the absence of agreement between them on the identity of the expert within ten Business Days of the expiry of the ten Business Day period following service of a Price Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

- 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:
  - (a) any subordinate legislation from time to time made under it; and
  - (b) 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 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), 49, 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:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - (b) 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" 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"

## **DIRECTORS**

### **2. DIRECTORS' MEETINGS**

- 2.1 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 3.
- 2.2 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.
- 2.3 Meetings of the Directors shall take place at least twice in each year, with a period of not more than 7 months between any two meetings, such meetings to be held at the registered office of the Company or such other place agreed in writing by the parties.
- 2.4 All decisions made at any meeting of the Directors shall be made only by resolution and resolutions at any meeting of the Directors shall be decided by

a simply majority of votes of those Directors present, in present or by electronic communication.

- 2.5 If at any time at or before any meeting of the Directors a Director participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other Directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of Directors may be adjourned pursuant to this article more than once.

### **3. UNANIMOUS DECISIONS**

- 3.1 A decision of the Directors is taken in accordance with this article when all Directors indicate to each other by any means that they share a common view on a matter.
- 3.2 Such a decision may take the form of a resolution in writing, where each Director has signed one or more copies of it, or to which each Director has otherwise indicated agreement in writing.
- 3.3 A decision may not be taken in accordance with this article if the Directors would not have formed a quorum at such a meeting in accordance with article 5.

### **4. CALLING A DIRECTORS' MEETING**

- 4.1 Any Director may call a Directors' meeting by giving not less than 10 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.
- 4.2 Notice of a Directors' meeting must be accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
  - (b) copies of any papers to be discussed at the meeting.
- 4.3 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.

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

- 5.1 The quorum for the transaction of business at a meeting of Directors is any two Directors including a Director appointed by each of the Founder Shareholders.

- 5.2 No business shall be conducted at any meeting of the Directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place.

## **6. DIRECTORS' CONFLICTS OF INTEREST**

- 6.1 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company 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 Act.
- 6.2 Subject to article 6.1, notwithstanding the fact that a proposed decision of the Directors concerns or relates to any matter in which a Director has, or may have, directly or indirectly, any kind of interest whatsoever, that Director may participate in the decision-making process for both quorum and voting purposes.
- 6.3 Subject to the provisions of the Act, and provided that (if required to do so by the Act) he has declared to the Directors the nature and extent of any direct or indirect interest of his, a Director, notwithstanding his office:-
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may be a Director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
  - (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

## **7. NUMBER OF DIRECTORS**

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

## **8. APPOINTMENT & REMOVAL OF DIRECTORS**

- 8.1 Each Founder shall have the right to hold office as a Director or nominate a Director and remove a Director whom they nominate by giving notice to the Company and the other Founder Shareholders. The appointment or removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.
- 8.2 Any appointment or removal of a Director pursuant to this article shall be in writing and signed by the appointing Shareholder and served on each of the Founder Shareholders and the Company at its registered office, or delivered to a duly constituted meeting of the Directors of the Company.
- 8.3 No Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law, and/or in accordance with the provisions of the Shareholders Agreement.

## **9. ALTERNATE DIRECTORS**

- 9.1 Any Director (**Appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- (a) exercise that Director's powers; and
  - (b) carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's Appointor.
- 9.2 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.
- 9.3 The notice must:
- (a) identify the proposed alternate; and
  - (b) 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.
- 9.4 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.
- 9.5 Except as the Articles specify otherwise, alternate Directors:
- (a) are deemed for all purposes to be Directors;
  - (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their Appointors; and
  - (d) 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.

9.6 A person who is an alternate Director but not a Director:

- (a) 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); and
- (b) may participate in a unanimous decision of the Directors (but only if his Appointor is eligible to vote in relation to that decision, but does not participate).

9.7 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 eligible to vote in relation to that decision).

9.8 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.

9.9 An alternate Director's appointment as an alternate terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate's Appointor's appointment as a Director terminates.

## 10. 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

### 11. SHARE CAPITAL

11.1 The issued share capital of the Company at the date of adoption of these Articles is £1,201,000 divided into:-



- (a) six hundred (600) "A" Shares; and
  - (b) four hundred (400) "B" Shares; and
  - (c) One million, two hundred thousand (1,200,000) Redeemable Shares
- all of which are fully paid.

11.2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

## **12. DIVIDENDS**

12.1 Subject to the requirements of the Act, the Available Profits of the Company in respect of each particular Financial Year shall be applied amongst the holders of the "A" Shares and the "B" Shares in such proportion as the Directors may determine from time to time, in accordance with the provisions of the Shareholders Agreement or otherwise.

12.2 For the avoidance of doubt the holders of the Redeemable Shares shall not be entitled to any dividend or other income distribution from the Available Profits or otherwise.

## **13. RETURN OF CAPITAL RIGHTS**

13.1 The rights as regards return of capital attaching to each class of Shares shall be as set out in this article 13.

13.2 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares) the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

- (a) first in paying to each holder of Redeemable Shares in respect of each Redeemable Share of which it is the holder of an amount equal to £1.00 per Redeemable Share;
- (b) second in paying to each holder of "A" Shares and each holder of the "B" Shares in respect of each "A" Share or "B" Share of which he is the holder a sum equal to £1.00 per Ordinary Share; and
- (c) the balance of such assets (if any) shall be distributed amongst the holders of the "A" Shares and the "B" Shares (as if they constituted the same class of shares) on a pro rata basis.

## 14. VOTING RIGHTS

14.1 The voting rights attached to each class of Shares shall be as set out in this article 14;

- (a) on a show of hands every Shareholder holding one or more "A" Shares or "B" Shares who being an individual is present in person or by proxy shall have one vote; and
- (b) on a poll every Shareholder holding one or more "A" Shares or "B" Shares who being an individual is present in person or by proxy shall have one vote for each "A" Share or "B" Share of which he is the holder.

14.2 The Redeemable Shares will entitle the holders to receive notice of all general meetings of the Company but will not entitle the holders to attend or vote at any general meeting.

## 15. REDEMPTION RIGHTS

15.1 The Redeemable Shares shall, subject to the Act be redeemed as follows:-

- (a) the Company shall redeem all of the Redeemable Shares then in issue immediately prior to a Sale; and
- (b) the Company may at any time on not less than 10 Business Days give notice in writing to the holders of the Redeemable Shares, redeem in multiples of not less than 1,000 Redeemable Shares such total number as Redeemable Shares as is specified in such notice.

15.2 Where Redeemable Shares are to be redeemed in accordance with article 15.1, the Company shall give to the holders of the Redeemable Shares falling to be redeemed prior notice in writing of the redemption (**Company Redemption Notice**). The Company Redemption Notice shall specify the particular Redeemable Shares to be redeemed and the date fixed for redemption (which in the case of a redemption pursuant to article 15.1(a) shall be the expected date for redemption), and shall be given not less than 10 nor more than 20 Business Days prior to the date fixed for redemption. In the case of redemption pursuant to article 15.1(a), the Company Redemption Notice shall be conditional upon such Sale occurring within 1 month of the date fixed for redemption failing which the Company Redemption Notice shall be revoked.

15.3 Notwithstanding article 15.1 the holders of the Redeemable Shares may require the Company by serving on it a notice (**Shareholder Redemption Notice**) to redeem such amount of Redeemable Shares as is specified in the Shareholder Redemption Notice if at any time:-

- (a) the Company has not redeemed any Redeemable Shares in accordance with the requirements of this article 15 within 10 Business Days of the due date for redemption (irrespective of whether such redemption would be unlawful);
  - (b) there has been proposed a resolution for the winding up of the Company, a resolution for a reduction in the capital of the Company or a resolution varying any of the rights attaching to the Redeemable Shares.
- 15.4 The holders of the Redeemable Shares shall be entitled to withdraw the Shareholder Redemption Notice if they serve the Company with written notice to that effect before the redemption takes place.
- 15.5 Where a Shareholder Redemption Notice has been duly given the Company shall be obliged, subject to having sufficient Available Profits with which to redeem the same to redeem the Redeemable Shares specified in the Shareholder Redemption Notice on the first Business Day following the receipt of such notice (which day shall be the date fixed for redemption).
- 15.6 The Company is unable because of having insufficient Available Profits to redeem in full the relevant number of Redeemable Shares on the date fixed for redemption. The Company shall redeem as many of such Redeemable Shares as it can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.
- 15.7 If the Company is at any time redeeming less than all the Redeemable Shares from time to time in issue the number of Redeemable Shares to be redeemed shall (subject to any contrary requirement in a Shareholder Redemption Notice) be apportioned between those holders of the Redeemable Shares then in issue pro rata according to the number of Redeemable Shares held by them respectively at the date fixed for redemption.
- 15.8 On the date fixed for redemption each of the holders of the Redeemable Shares falling to be redeemed shall be bound to deliver to the Company at the Company's registered office the certificate(s) for Redeemable Shares (or an indemnity or in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in order that the same may be cancelled. Upon such delivery the Company shall pay to the holder (or in the case of any joint holders to the holder whose name stands first in the Company's register of members in respect of such Redeemable Shares) the amount due to it in respect of such redemption against whoever has a proper receipt for the redemption monies.

- 15.9 If any certificate(s) delivered the Company pursuant to article 15.2 includes any Redeemable Shares not falling to be redeemed on the date fixed for redemption, a new certificate(s) in respect of those Redeemable Shares shall be issued to the holder(s) as soon as practicable in any event within 20 Business Days.

## 16. SHARE TRANSFERS

- 16.1 No Ordinary Shareholder shall create any Encumbrance over, sell, transfer, assign, pledge, charge or otherwise dispose of any "A" Share(s) or "B" Share(s) or any interest in any "A" Share(s) or "B" Share(s) in the capital of the Company, except as permitted or required by the Shareholders Agreement, or these Articles, or with Shareholder Consent.
- 16.2 Save with Shareholder Consent, no Ordinary Shareholder shall transfer any shares unless he/she transfers all (and not some only) of the shares held by him/her.
- 16.3 Except where the provisions of article 17 (**Permitted Transfers**) or article 18 (**Compulsory Transfers**) apply an Ordinary Shareholder (**Seller**) wishing to transfer any "A" Share(s) or "B" Share(s) in the capital of the Company (**Sale Shares**) must give a notice in writing (**Transfer Notice**) to the Company specifying the details of the proposed transfer, including the number and class of Sale Shares comprised within the Transfer Notice; if he/she wishes to sell the Sale Shares to a third party, the identity of the proposed buyer(s) and the price per Sale Share at which he/she wishes to sell the Sale Shares (**Proposed Sale Price**).
- 16.4 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 and the Shareholders Agreement.
- 16.5 The Sale Price for each Sale Shares the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles or the Shareholders Agreement, be the price per Sale Share (in cash) agreed between the Seller and the Board (with any director with whom the Seller is connected not voting), 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 the Shareholders Agreement..
- 16.6 If the Fair Value is determined by the Valuers and following delivery to him/her of the Valuers' written notice in accordance with the Shareholders Agreement, the Seller does not agree with Valuers' assessment of the Fair

Value of the Sale Shares, he/she shall be entitled to revoke the Transfer Notice by giving notice in writing to the Board within ten Business Days of delivery to him/her of the Valuers' written notice. If the Seller revokes the Transfer Notice, he/she is not entitled to transfer the Sale Shares except in accordance with these Articles or the Shareholders Agreement. A Deemed Transfer Notice may not be revoked in this manner.

16.7 Within 30 Business Days of receipt (or deemed receipt) of a Transfer Notice or, if later, within 30 Business Days of receipt of the Valuers' determination of the Fair Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with article 16.6), the Board shall offer the Sale Shares for sale to the other Shareholders as follows:-

- (a) if the Sale Shares are "A" Shares to the holders of any other "A" Shares;
- (b) if the Sale Shares are "B" Shares to the Founder Shareholder who transferred such shares to the Shareholder (as a Permitted Transferee);

(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 of twelve months from the date of the offer (both dates inclusive) (**Offer Period**) for a maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Sale Price of the Sale Shares offered. During the Offer Period, the Offerees may propose a transfer of the entire issued share capital of the Company to the Seller (or his/her personal representatives), in which case the Drag Along and Tag Along provisions of the Articles will apply in respect of such sale, notwithstanding that the procedure in this article 16 has not been fully completed.

16.8 If:

- (a) at the end of the Offer Period (or on such earlier date as each of the Founder Shareholders shall agree), the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his/her 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 Board). No allocation shall be made to a

Shareholder of more than the maximum number of Sale Shares which he/she has stated he/she is willing to buy;

- (b) not all Sale Shares are allocated following allocations in accordance with article 16.8(a), 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 article 16.8(a). The procedure set out in this article 16.8(b) 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
- (c) at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may, with the prior written consent of the Board (acting with Shareholder Consent) be allocated for purchase by the Company in accordance with article 16.10 (below) or be transferred to the Buyer identified in the Transfer Notice (if any) in accordance with article 16.11.

16.9 The Board shall, when no further offers or allocations are required to be made under article 16.8, 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 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

16.10 Alternatively, within 30 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Board (acting with Shareholder Consent) shall be entitled (but not obliged) to give notice in writing to the Seller stating that some or all of the Sale Shares are to be allocated for purchase by the Company at the Sale Price

16.11 Where an Allocation Notice does not relate to all of the Sale Shares or where all of the Sale Shares are not acquired by the Company under article 16.10, then:-

- (a) at any time during the 30 Business Days following the date of service of the Allocation Notice, the Seller shall be entitled to transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per Sale Share at least equal to the Sale Price;

- (b) 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 the prior written consent of the Board (acting with Shareholder Consent)); and
- (c) the Seller shall in accordance with the Shareholders Agreement procure that any buyer of Sale Shares enters into a deed of adherence with the Shareholders (other than the Seller), agreeing to be bound by the terms of the Shareholders Agreement, in such form as the Board (acting with Shareholder Consent) may reasonably require (but not so as to oblige the buyer to have any obligations or liabilities greater than those of the Seller).

16.12 No Redeemable Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Redeemable Share(s) or any interest in any Redeemable Share(s) in the capital of the Company, except as permitted by this Agreement or with the prior written consent of each of the Ordinary Shareholders (such consent not to be unreasonably withheld or delayed).

## **17. PERMITTED TRANSFERS**

17.1 Subject to article 17.2 and article 17.3 a Founder Shareholder may transfer any number of Shares to any of his Permitted Transferees without restriction as to price or otherwise.

17.2 A Shareholder holding Shares as a result of:

- (a) a transfer by a Founder Shareholder under article 17.1; or
- (b) a transfer by a Permitted Transferee of a Founder Shareholder in accordance with article 17.4 to article 17.6 (inclusive),

may, subject to article 17.3, transfer any or all such Shares back to that Founder Shareholder (or to one or more other Permitted Transferees of that Founder Shareholder) without restriction as to price or otherwise.

17.3 A Shareholder may only transfer Shares to the trustees of a Family Trust if the Board (acting with Shareholder Consent) is satisfied:

- (a) with the terms of the Family Trust and, in particular, with the powers of the trustees;
- (b) with the identity of the trustees; and
- (c) that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

17.4 If a Permitted Transfer has been made to a Privileged Relation of a Founder Shareholder, that Privileged Relation shall within 30 Business Days of ceasing to be a Privileged Relation of that Founder Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Share held by him/her pursuant to a Permitted Transfer in favour of that Founder Shareholder (or, subject to article 17.3, in favour of one or more other Permitted Transferees of that Founder Shareholder) for such consideration as may be agreed between them, failing which he/she shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with clause 5. The provisions of article 18.3 shall apply to such a Deemed Transfer Notice.

17.5 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from a Founder Shareholder, on the occurrence of:-

- (a) the Privileged Relation's death;
- (b) the Privileged Relation suffering a Bankruptcy Event; or
- (c) the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his/her shareholding,

that Privileged Relation, his/her personal representatives, his/her trustee(s) in bankruptcy, his/her attorney(s) or otherwise (as the case may be) shall, within 30 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Founder Shareholder (or, if so directed by the Founder Shareholder and subject to article 17.3, in favour of one or more other Permitted Transferees of that Founder Shareholder) for such consideration as may be agreed between them, failing which (or where the Founder Shareholder is himself/herself the subject of a bankruptcy order), he/she, his/her personal representatives, his/her trustee(s) in bankruptcy, his/her attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with article 16. The provisions of article 18.3 shall apply to such a Deemed Transfer notice.

17.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 30 Business Days of that Family Trust ceasing to be wholly for the benefit of the Founder Shareholder and/or the Founder Shareholder's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Founder Shareholder (or, if so directed by the Founder Shareholder and subject to article 17.3, in favour of one of more other Permitted Transferees of the Founder Shareholder), for



such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in accordance with article 16. The provisions of article 18.3 shall apply to such a Deemed Transfer Notice.

## **18. COMPULSORY TRANSFERS**

18.1 A Shareholder who is an individual is deemed to have served a Transfer Notice under article 16.3 immediately before any of the following events:

- (a) a Shareholder ceases to be a Director of the Company (for whatever reason);
- (b) a Shareholder is unable to perform his/her duties under this Agreement as a Director and employee of the Company for a period in excess of 24 months due to illness or incapacity or such other like cause;
- (c) the Shareholder suffers a Bankruptcy Event;
- (d) the Shareholder is unable to pay his/her debts as they fall due within the meaning of section 268 of the Insolvency Act 1986;
- (e) any encumbrancer takes possession of, or a receiver is appointed over or in relation to, all or any material part of the Shareholder's assets;
- (f) the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets;
- (g) subject to the provisions of article 17.6, the Shareholder's death;
- (h) the Shareholder has a disqualification order made against him/her under the Company Directors Disqualification Act 1986;
- (i) the Shareholder lacks capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or his/her Shareholding and the court has made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005; or
- (j) the Shareholder commits a material or persistent breach of this Agreement which if capable of remedy has not been so remedied within 20 Business Days of notice to remedy the breach being served by the Board (acting with Shareholder Consent).

18.2 A Transfer Notice deemed to have been served by a Shareholder under article 18.1 shall immediately also deem a Transfer Notice to have been served under article 16.3 by any Permitted Transferee of that Shareholder in respect of all Shares held by such Permitted Transferee(s) (excluding any Shares that the Board (acting with Shareholder Consent) declares itself

satisfied were not acquired pursuant to a Permitted Transfer by that Shareholder (or by another Permitted Transferee of that Shareholder).

18.3 A Transfer Notice deemed to be served under article 18.1(a) or article 18.1(i) shall immediately and automatically revoke:

- (a) a Transfer Notice served by the relevant Shareholder or any of his Permitted Transferees before the occurrence of the relevant event giving rise to the Deemed Transfer Notice (excluding a Transfer Notice served by a Permitted Transferee that relates exclusively to Shares not acquired (whether directly or indirectly) pursuant to a Permitted Transfer); and
- (b) a Deemed Transfer Notice deemed to be served by the relevant Shareholder under any of the events set out in article 18.1(b) to article 18.1(h) (inclusive) or article 18.1(j).

18.4 A Shareholder who is a company is deemed to have served a Transfer Notice under article 16.3 immediately before any of the following events of default:-

- (a) the passing of a resolution for the liquidation of the Shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the Shareholder's group in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder; or
- (b) the presentation at court by any competent person of a petition for the winding up of the Shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or
- (c) a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the Shareholder; or
- (d) the issue at court by any competent person of a notice of intention to appoint an administrator to the Shareholder a notice of appointment of an administrator to the Shareholder or an application for an administration order in respect of the Shareholder; or
- (e) any steps being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Shareholder; or
- (f) the Shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- (g) the Shareholder entering into a composition or arrangement with any of its creditors; or
- (h) any charger taking any steps to enforcing any charge created over any shares held by the Shareholder in the Company (other than by appointment of a receiver, administrative receiver or manager); or

- (i) a process having been instituted that could lead to the Shareholder being dissolved and its assets being distributed among the Shareholder's creditors, shareholders or other contributors; or
- (j) the Shareholder ceasing to carry on its business or substantially all of its business; or
- (k) in the case of the events set out in paragraphs (a), (b), (d) or (e) above, any competent person taking any analogous step in any jurisdiction in which the Shareholder carries on business; or
- (l) the Shareholder committing a material or persistent breach of this Agreement which if capable of remedy has not been so remedied within 20 Business Days' notice to remedy the breach being served by the Board (acting with Shareholder Consent).

18.5 A Deemed Transfer Notice has the same effect as a Transfer Notice, and the provisions of article 16 shall apply except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares and the Sale Price shall be the Fair Value of those shares, determined by the Valuers in accordance with the Shareholders Agreement;
- (b) the Seller does not have a right to withdraw the Deemed Transfer Notice following agreement or determination of the Fair Value of such Sale Shares;
- (c) if the Allocation Notice(s) in respect of the Sale Shares comprised in 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 the prior written consent of the Board (acting with Shareholder Consent) and the Company shall be wound up forthwith upon the Offerees giving notice in writing to the Company within 30 Business Days from the delivery of the deemed Transfer Notice or agreement or determination of the Fair Value, whichever is the later.

## 19. ISSUE OF SHARES

19.1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) every Ordinary Shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.

19.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section

560(1) of the Act) where the consent to that allotment of every Ordinary Shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

## 20. DRAG ALONG

- 20.1 After first giving a Transfer Notice and going through the procedure set out in article 16 (**Share Transfers**), if each of the Founder Shareholders of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (holding shares of any class) (**Called Shareholders**) to sell and transfer all their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 16 (**Drag Along Option**).
- 20.2 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 Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this clause 20;
  - (b) the person to whom the Called Shares are to be transferred;
  - (c) 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 Sellers' Shares; and
  - (d) the proposed date of the transfer.
- 20.3 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 the Sellers' Shares to the Proposed Buyer within 10 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.
- 20.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this clause 20.
- 20.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date

agreed in writing by all of the Called Shareholders and the Selling Shareholders; or

- (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 10th Business Day after service of the Drag Along Notice.

- 20.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in Article 16 (**Share Transfers**) but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 20.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) 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 20.2(c) 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.
- 20.8 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 forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this clause 20 in respect of their Shares.
- 20.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 20.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it 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 person. Failure to produce a share certificate shall not impede the registration of shares under this clause 20.

## 21. TAG ALONG

- 21.1 Except in the case of transfers pursuant to article 18 (**Compulsory Transfers**) and after going through the pre-emption procedure set out in Article 16 (**Share Transfers**), the provisions of articles 21.2 to 21.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 21.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer (**Specified Price**).
- 21.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
  - (b) the Specified Price and other terms and conditions of payment;
  - (c) the Sale Date; and
  - (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 21.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 21.2 and article 21.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 21.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 21.6 The Proposed Transfer is subject to the pre-emption provisions of Article 16 (**Share Transfers**), but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

## **DECISION MAKING BY SHAREHOLDERS**

### **22. QUORUM FOR GENERAL MEETINGS**

- 22.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be all of the Ordinary Shareholders present in person or by proxy.
- 22.2 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.

### **23. POLL VOTES**

- 23.1 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.
- 23.2 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.

### **24. PROXIES**

- 24.1 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".
- 24.2 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.

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 25.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was



posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider); and

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address.

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

- 25.2 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.

