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DISCLOSURE SERVICES GROUP LIMITED

Company number: 10076860

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At a duly convened meeting of the shareholders on the ~~22~~ ¹⁵ August 2019 the attached Articles of Association were adopted by Special Resolution in substitution for, and to the exclusion of, the existing articles of association.

.....
Chairman

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Dated: ~~22~~ ¹⁵ August 2019

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BRINDLEY, TWIST, TAFFT & JAMES
SOLICITORS, COVENTRY

16.09.2019.

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COMPANIES HOUSE

Disclosure Services Group Limited
Company Number: 10076860

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BY SHARES

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DEED OF ANTI EMBARRSSMENT

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise-

“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)

“articles” means the company’s articles of association;

“Bad Leaver” any holder of the B Ordinary Shares who:

- (i) voluntarily resigns from their employment with one or more of the Group companies; or
- (ii) is dismissed by the company in the Group save in circumstances where a Court or Tribunal of competent jurisdiction finds that such dismissal was unfair or wrongful; or
- (iii) the Objective has not been achieved within 5 years from the date of this agreement other than in circumstances where the Shareholders have declined to complete a sale to a bona fide third party purchaser who was willing to purchase the entire issued share capital of the Company or purchase the business and assets of the Company or Tradco as a going concern on fair and reasonable commercial terms

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“Business” means the holding company of TradCo;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 44;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 36;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“Encumbrance” any interest or equity of any person (including any right to acquire, option, right of pre-emption, any agreement in respect of voting rights or commitment to give or create voting rights) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“Good Leaver” if any holder of the B Ordinary Shares whose employment is terminated by reason of death or ill-health that prevents them from working (as certified in a medical report (if required by the majority of the shareholders)) or such illness continues for at least 6 consecutive months for any reason other than them being a Bad Leaver

“Group” in relation to a company, that company any subsidiary or holding company from time to time of that company and any subsidiary from time to time of the holding company of the company. Each company in a Group is a member of the Group;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

“objective” to increase TradCo’s profitability and find a buyer and deliver an Exit for the Group within [3] years from the date of the amendment of these Articles (or such other date as shall receive shareholder consent having regard to the prevailing market conditions);

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 50;

“shareholder” means a person who is the holder of a share;

“shareholder consent” means the prior written consent of 75% of the holding of the A Ordinary Shares;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“TradCo” means DBS Disclosure Service Limited a company incorporated and registered in England and Wales with company number 04198359 and whose registered office is at Bromfield House Ellice Way, Wrexham Technology Park, Wrexham, Wales, LL13 7YW;

“TradCo Business” the business of carrying out disclosure and barring checks and other checks for third parties to assist in safe recruitment of staff;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

“writing” means 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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

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

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

Shareholders’ reserve power

- 4.-(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

- 5.-(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles –

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

- 6.-(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

- 7.-(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If –
 - (a) the company only has one director, and
 - (b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

- 8.-(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

- 9.-(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any directors' meeting must indicate-
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 10.-(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting when –
- (a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11.-(1) *At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.*

(2) The Quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision –

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

12.-(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) *If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.*

Casting vote

13.-(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14.-(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when-

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes-

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the

meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17. (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director –

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as –

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;

- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

- 19.-(1) Directors may undertake any services for the company that the directors decide
- (2) Directors are entitled to such remuneration as the directors determine-
 - (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
 - (3) Subject to the articles, a director's remuneration may –
 - (a) take any form, and
 - (b) include any arrangement in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
 - (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
 - (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other offices or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at –
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

Share rights

Income

21. The Ordinary A Shares and the Ordinary B Shares shall both have the right to recover any profits which the Company may determine to distribute and they will be distributed amongst the Holders of a particular class of shares. The two classes of shares shall not rank pari passu as if the same constituted one class of Share. Any distribution to the Holders of any one class of Shares shall be made pro rata to the number of Shares participating in the distribution held by such Holders of the class of shares in question.

Capital

22. (1) For the purposes of this Article 22:

“**Controlling Interest**” an interest (within the meaning of Schedule 1 to the Act) in more than 50% of the Shares;

“**Exit**” means a Sale or Relevant Assets Sale.

“**First Hurdle**” shall be a sum up to or equal to £10,000,000.

“**Group**” the Company and each Group subsidiary (if any);

“**Group Company**” any member of the Group.

“**Holder**” in relation to a Share, the person whose name is entered in the register of members as the holder of that Share from time to time

“**Realisation Value**” means:

- (a) in respect of a Sale, the aggregate price paid or payable for the Shares together with the cash value of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares which, having regard to the substance of the Sale as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares but excluding, for the avoidance of doubt, any amount to be provided by a purchaser to procure the repayment by any Group Company of any bank debt or other borrowings; and
- (b) in respect of a Relevant Asset Sale, the aggregate price paid or payable for the assets being sold together with the cash value of any other consideration (in cash or otherwise) received or receivable by the Company or any Group Company which, having regard to the substance of the Relevant Asset Sale as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of those assets but excluding, for the avoidance of doubt, any amount to be provided by a purchaser to procure the repayment by any Group Company of any bank debt or other borrowings,

provided that

- (i) to the extent that the relevant Sale, or Relevant Asset Sale includes an element of deferred consideration (whether contingent or non-contingent) its value shall not be included in the calculation of the Realisation Value until such deferred consideration is received by the holders of the Shares (or, in the case of a Relevant Asset Sale, the Company or a Group Company) in which case the full value of the amount actually received shall then be taken into account; and
- (ii) the Realisation Value shall be as agreed by the Shareholder Majority and their agreement shall be final and binding on the Company and all holders of Shares. Any dispute in respect of the Realisation Value which has not been resolved by the date which is 7 days prior to the proposed date for completion of the relevant Exit shall be referred to the Expert for determination,

plus in each case an amount equal to the amount of any loan notes to be repaid in conjunction with the Listing, Sale or Relevant Asset Sale (as the case may be)

“Relevant Asset Sale” a sale of the whole or substantially the whole of the trading assets or trading subsidiaries of the Group;

“Sale” the transfer of any interest in Shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest;

(2) On a return of capital on liquidation or capital reduction, including following a Relevant Asset Sale where no Exit has occurred, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in distributing the balance of such assets amongst the Holders of all Shares *pari passu* as if the same constituted one class of Share. Any distribution to the Holders of any class of Shares shall be made *pro rata* to the number of Shares held by such Holders.

(3) On a return of capital on liquidation or capital reduction, including following a Relevant asset Sale where an Exit has occurred:-

- (a) if the surplus assets of the Company remaining after payment of its liabilities (“the Value”) is less than the First Hurdle then the Value shall be applied in distributing the balance of the Value amongst the Holders of all Shares *pari passu* as if the same constitute one class of share. Any distribution to the Holders of any class of shares shall be made *pro rata* to the number of Shares held by such Holders.
- (b) if the Value is equal to or in excess of the First Hurdle:-

- (i) the Value up to and including the First Hurdle shall be applied amongst the Holders of all Shares *pari passu* as if the Shares constitute a class of shares;
- (ii) the Value in excess of the First Hurdle shall be applied as to 10% between the Ordinary B Shareholders (pro rata as between such Holders to their respective holdings of the B Ordinary Shares); and
- (iii) with the balance of 90% the Value in excess of the First Hurdle being applied as to the holders of the A Shares (pro rata as between such Shareholders to their respective holding of the A Shares).

(4) On an Exit (other than a Relevant Asset Sale), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in distributing the balance of such assets:

(a) if the Realisation Value is less than or equal to the First Hurdle amongst the holders of all Shares *pari passu* as if the same constituted one class of shares.

(b) if the Realisation Value is greater than the First Hurdle;

(i) the Realisation Value in excess of the First Hurdle shall be applied as to 10% between the Ordinary B Shareholders (pro rata as between such Holders to their respective holdings of the B Ordinary Shares); and

(ii) with the balance of the 90% Realisation Value in excess of the First Hurdle being applied as to the holders of the A Shares (pro rata as between such Holders to their respective holding of A Shares).

(5) In the event of a Sale occurring where the whole or any part of the Realisation Value is to be received by the Shareholders in a form other than cash, the Shareholders shall enter into such arrangements in relations to such Realisation Value as they may agree to ensure that such non-cash consideration is allocated amongst the holders of Shares so as to achieve the same commercial effect as would be the case pursuant to this Article 22.6 if such consideration had actually been received in cash (and as between such holders of Shares in the same proportions as those proportions in which they are entitled to receive the overall Realisation Value, unless the relevant Shareholders should reach any agreement to the contrary).

(6) For the purposes of this Article 22.7, where any agreement is required to be reached as between the Shareholders, then the agreement of the Holders of 50% (by reference to their nominal value) of each of the Ordinary A Shares and the agreement of the Holders of over

50% (by reference to nominal value) of each of the B Ordinary Shares for the time being in issue shall be binding on all of the holders of Shares in such class.

(7) In the event that the application of any provision of this Article 22 cannot be agreed between the Shareholders, any such matters in dispute shall be referred by the Board to the Expert whose costs shall be borne by the Shareholders in such proportions as the Expert may determine having regard to the conduct of such Shareholders and the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne by the Shareholders pro rata to their respective holdings of Shares) and whose decision shall be final and binding on all Shareholders (save in the case of manifest error).

Voting

23. (1) Each Holder of Ordinary A Shares and B Ordinary Shares ("**Voting Shares**") shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company and upon any resolution proposed at such general meeting on a show of hands and on a poll, and for the purposes of written resolutions of the Company, every Holder of Voting Shares who (being an individual) is present in person or by proxy, or (if a corporation) by a duly authorised representative or by proxy shall have such number of votes as:

- (a) in the case of Ordinary Shares *pari passu* as if one class of share, such votes as represent 95% of the total voting rights of all Shares with each Ordinary Share carrying an equal right to vote; and
- (b) in the case of B Ordinary Shares, as a class as a whole, such votes as represent 5% of the total voting rights of all Shares, with each B Ordinary Share carrying an equal right to vote.

Variation of class rights

24. No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a Special Resolution of the Holders of the relevant class of Shares. Where a Special Resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of the Holders of that class of Shares, all the provisions of these articles as to general meetings of the Company shall apply (with such changes as are required), but so that the necessary quorum shall be one such Holder present in person or by proxy. For the purpose of this Article 24, one Shareholder present in person or by proxy may constitute a meeting.

Authority to allot Shares

25. (1) The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act, to allot Shares (up to an aggregate nominal amount of £1000 Ordinary

A Shares and £53 B Shares (inclusive of the Shares in issue at the Adoption Date)) at any time or times during the period of five years from the Adoption Date and the Directors may, after that period, allot any Shares under this authority in pursuance of an offer or agreement so to do made by the Company within that period. This authority may at any time (subject to section 551 of the Act) be renewed, revoked or varied by Ordinary Resolution.

All shares to be fully paid up

26.-(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

27. (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

28. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

29.-(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify –

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must –

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

30. (1) If a certificate issued in respect of a shareholder's share is-

- (a) damage or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate-

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

31.-(1) Subject to Article 42 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

32.-(1) Subject to Article 42 if title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require-

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

33.-(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

34. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

35.-(1) The company may by ordinary resolution declare dividends, on one or more class of shares in issue and the directors may decide to pay interest dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with the shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holder of share conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

36.-(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means-

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered office (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles “the distribution recipient” means, in respect of a share in respect of which a dividend or other sum is payable –

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy; or otherwise by operation of law, the transmittee.

No interest on distributions

37. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by –

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

38.-(1) All dividends or other sums which are-

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If-

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

39.-(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution –

(a) fixing the value of any assets;

- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

Waiver of distributions

40. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if --

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

41.-(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution-

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
 - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- (2) Capitalised sums must be applied --
- (a) on behalf of the persons entitled, and
 - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of a nominal account equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may-

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

Pre-emption Rights

42.1 No holder of B Ordinary Shares shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any share or interest in any share in the Company or TradCo without Shareholder Consent

42.2 Subject to Shareholder Consent a holder of B Ordinary Shares wishing to transfer all (but not some only) of his shares in the Company to any person for cash and not on deferred terms only if that party follows the steps in this Article 42

42.3 The holder of the B Ordinary Shares (**Seller**) wishing to transfer its shares (**Sale Shares**) must give an irrevocable notice in writing (**Transfer Notice**) to the other shareholders (even if they hold a different class or classes of shares) (**Continuing Shareholders**) giving details of the proposed transfer including:

- (a) if it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
- (b) the price (in cash) at which it wishes to transfer the Sale Shares (**Proposed Sale Price**).

42.4 If the Continuing Shareholders (or any one of them) gives notice to the Seller within 3 calendar months of receiving the Transfer Notice that they (or in the case of unanimous agreement the Company) wishes to buy the Sale Shares, the Continuing Shareholders shall (and in the case of the Company purchasing its own shares subject to the provisions of the Companies Act 2006) have the right to do so at the Proposed Sale Price.

42.5 The Continuing Shareholders are bound to buy all of the Seller's Sale Shares when they gives notice to the Seller that they (or the Company) wishes to do so under Article 42.4

42.6 If, at the expiry of the period specified in Article 42.4, the Continuing Shareholders have notified the Seller that they wish to purchase the Seller's Sale Shares but considers the Proposed Sale Price to be too high, the parties will endeavour to agree a price. If the parties fail to reach agreement within 28 days of the Continuing Shareholders notification to the

Seller then the parties shall appoint an Expert under Article 45 to determine the Fair Value of the shares.

42.7 Subject to Article 47.3, if the Seller does not agree with the Fair Value as certified in the Expert's written notice, he shall be entitled to revoke the Transfer Notice by notice in writing within 7 days of delivery of the Expert's written notice.

42.8 Subject to the Seller not exercising his right to revoke the Transfer Notice, and unless the Continuing Shareholders give individual notice in writing to the Seller within 14 days of the Expert's written notice that they do not wish to purchase the Sale Shares, completion of the sale and purchase of the Sale Shares at the Fair Value or Proposed Sale Price (as the case may be) shall take place in accordance with Article 43.

42.9 If, at the expiry of the period specified in Article 42.4, the Continuing Shareholders have not notified the Seller that they want to buy the Sale Shares, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice at a price not less than the Proposed Sale Price, provided that it does so within 28 days of the expiry of the period specified in Article 42.4.

42.10 Each party undertakes (in respect of the shares that it holds) to give, the approvals required for any transfer of shares made in accordance with this agreement

42.11 References in Article 42 to shares held by a party in the Company are to all the shares in the Company held by that party, and not to some only of those shares.

43. Completion of the sale and purchase of shares

43.1 Completion of the sale and purchase of shares under the Articles of Association shall (other than for a transfer pursuant to Article 42.9) take place at the Company's registered office or such other reasonable venue as the Company shall advise the Seller in writing 21 days after:

- (a) unless an Expert has been appointed to determine Fair Value, the day of delivery of the notice from the Continuing Shareholders to the Seller under Article 42.4; or
- (b) the day of delivery of the Expert's Fair Value Notice.

43.2 At Completion:

- (a) the Seller shall deliver or procure that there is delivered to the Continuing Shareholders a duly completed stock transfer form transferring the legal and beneficial ownership of the Sale Shares to the Continuing Shareholder

together with the relevant share certificates and such other documents as may reasonably be required to register the Continuing Shareholder as the holder of the Sale Shares together with a Deed of Anti-Embarrassment in the form set out in Appendix A;

- (b) the Continuing Shareholders shall pay the purchase price in such instalments and at such times and intervals as the Continuing Shareholders shall in their sole discretion determine provided always that the purchase price shall be paid in full on or by the second anniversary of this agreement to the account nominated by the Seller for this purpose (or if no such account is notified then the money will be held by the Company on behalf of the Seller until the Seller provides valid account details); and
- (c) if following the sale the Seller will hold no further shares in the Company then the Seller shall deliver or procure that there are delivered to the Company resignations from any directors appointed by the Seller, such resolutions to take effect at completion of the sale of the shares.

43.3 The shares will be sold by the Seller with full title guarantee.

43.4 If any Continuing Shareholder fails to pay the purchase price on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of the purchase price shall accrue interest at a rate equal to 3% above the base rate of Barclays Bank plc from time to time.

43.5 The parties shall procure the registration (subject to due stamping by the Continuing Shareholder) of the transfers of shares in the Company effected pursuant to this clause and each of them consents to such transfers and registrations pursuant to this agreement and the articles of association.

43.6 If the Seller fails to deliver the documents referred to at Article 43.2 above as continuing security for the matter referred to herein, the Seller irrevocably appoints any one director of the Company separately as his attorney to execute such documents and do anything required to transfer the Sale Shares pursuant to this Article 43, as are required of the Seller pursuant to this Article 43.

43.7 The Seller ratifies and confirms and agrees to ratify and confirm anything that an attorney may do in proper and lawful exercise or purported exercise of all or any of the rights, powers, authorities and discretions referred to at Article 43.6 above.

44. Appointment of an Expert

- 44.1 Any expert appointed to resolve any matter under the terms of this agreement shall be an independent expert whose appointment is agreed between the parties (**Expert**).
- 44.2 If the parties are unable to agree on an Expert within seven days of either party serving notice that it wishes to seek an expert determination, then the expert shall be an accountant, nominated at the request of either party by the President for the time being of the Institute of Chartered Accountants in England and Wales.
- 44.3 The Expert shall be required to deliver a Fair Value notice or other written opinion as the case may be within 30 days of his appointment.
- 44.4 The parties shall be entitled to make submissions to the Expert and shall provide (or procure that others provide) the Expert with such assistance and documents as he shall reasonably require for the purposes of making his determination.
- 44.5 The parties shall provide each other with such reasonable information concerning the affairs of the Company as will enable them to make submissions under Article 44.4 above.
- 44.6 The Expert shall act as expert and not as arbitrator and his written opinion on the matters referred to him shall, save for manifest error, be final and binding.
- 44.7 The cost of any reference under this clause shall be borne by the parties equally unless the Expert shall otherwise decide in which case it shall be borne by the parties in the proportions indicated by the Expert.

45. Fair Value

- 45.1 Subject always to the terms of Article 45.3 below the fair value for any shares to be transferred under this agreement shall be that proportion of the amount the Expert appointed under Article 44 considers in his reasonable opinion to be the fair value of the entire issued share capital of the Company that the Seller's shares bear to the entire issued share capital of the Company (with no discount for the size of the Seller's shareholding).
- 45.2 Subject always to the terms of Article 44.3 in determining the Fair Value of the entire issued share capital of the Company the Expert shall rely on the following assumptions:
- (a) the sale is between a willing seller and a willing purchaser;
 - (b) the shares are sold free of all restrictions, liens, charges and other encumbrances;
 - (c) the sale is taking place on the date the Expert is appointed.

- 45.3 The Expert shall calculate Fair Value as 70% of (3.5 X EBITDA based on either:-
- (i) the audited accounts for Group's financial year immediately prior to the year in which the Transfer Notice is served or deemed to have been served ("Previous Years Accounts");
 - or
 - (ii) if but only if the Group's accounts for the financial year in which the Transfer Notice is actually served or deemed to have been served ("the Current Year Accounts") show a lower EBITDA the Current Year Accounts shall prevail over the Previous Years Accounts for the purposes of the Expert calculating Fair Value

46. Drag Along (only B Ordinary Shares)

- 46.1 If the holders of 75% of the A Ordinary 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 holders of the B Ordinary Shares (**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 46 (**Drag Along Option**).
- 46.2 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 Article 46;
 - (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.
- 46.3 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 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.

46.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 46.

46.5 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 tenth Business Day after service of the Drag Along Notice.

46.6 The sale of the Sellers' Shares by the Selling Shareholders and the sale of the Called Shares by the Called Shareholders shall not be subject to pre-emption rights set out at Article 42.

46.7 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.

46.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 46.5) 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 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 Article 46.

47. Compulsory Transfers

47.1 Any holder of B Ordinary Shares shall be deemed to have served a Transfer Notice under Article 47 immediately before any of the following events:

- (a) an order being made for his bankruptcy; or
- (b) an arrangement or composition with his creditors being made; or
- (c) his taking any other steps with a view to making an arrangement or composition in satisfaction of his debts generally; or

- (d) him being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- (e) a receiver being appointed over or in relation to, all of his assets; or
- (f) the happening in relation to him of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
- (g) him ceasing as an employee of the Company; or
- (h) him being a Bad Leaver.

47.2 The Transfer Notice shall be deemed to have been given to the Company and the other Shareholders (regardless of the class of shares that they hold) (and deemed received) on the day the relevant event occurred. The Proposed Sale Price shall be taken to be:

- (a) the lesser of the Fair Value and the nominal value of the Shares if the event triggering the Transfer Notice is referred to in Article 47.1 (a) to (h) (inclusive); and
- (b) Fair Value if the event triggering the Transfer Notice is referred to in Article 47.1(g) and he is a Good Leaver

47.3 The procedure set out in Article 47 applies but:

- (a) the Seller shall not be entitled to revoke such Transfer Notice in accordance with Article 42.7; and
- (b) the Seller shall not be entitled to transfer its Shares in accordance with Article 42.9.

48. Tag Along Rights

48.1 The provisions of this Article 48 shall apply if, in one or a series of related transactions, one or more Shareholders 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 (as defined in Article 22(1) in the Company).

48.2 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 6 months preceding the date of the Proposed Transfer (**Specified Price**).

48.3 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**).

48.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Article 48.2 and Article 48.3, 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.

48.5 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.

49. Restrictive Covenants

49.1 Except with Shareholder Consent, no holder of the B Ordinary Shares shall, during the times specified below, carry on or be employed, engaged or interested in any business in any geographic area in which the Business is conducted at Completion (as defined in Article 43) which would be in competition with any part of the Business, including any developments in the Business after the date of this agreement. The times during which the restrictions apply are:

- (a) any time when the Shareholder is a holder of the B Ordinary Shares; and
- (b) for a period 24 months after the Shareholder ceases to be a holder of the B Ordinary Shares.

49.2 Except with Shareholder Consent, no party to this agreement shall, except as an authorised representative of the Company, in the same area of business in which the Company operates and during the times specified below, deal with or seek the custom of any person that is, or was within the previous 12 months, a client or customer of the Company or, where the party is no longer a holder of the B Ordinary Shares, any person that was a client or customer at any time during the period of 12 months immediately preceding the Shareholder ceasing to be a holder of the B Ordinary Shares. The times during which the restrictions apply are:

- (a) any time when they are a holder of the B Ordinary Shares; and

- (b) for a period of 24 months after they cease to be a holder of the B Ordinary Shares if he is a Bad Leaver

49.3 Except with Shareholder Consent, no party hereto shall, during the times specified below, offer employment to, enter into a contract for the services of, or attempt to solicit or seek to entice away from the Company any individual who is at the time of the offer, or attempt, a director, officer or employee with the Company or procure or facilitate the making of any such offer or attempt by any other person. The times during which the restrictions apply are:

- (a) any time when the party is a holder of the B Ordinary Shares; and
- (b) for a period of 24 months after the party ceases to be a holder of the B Ordinary Shares.

49.4 Except with Shareholder Consent, no party shall, during the times specified below, solicit or endeavour to entice away from the Company any supplier who supplies, or has supplied within the previous 12 months goods and/or services to the Company or, where the party is no longer a holder of the B Ordinary Shares, any supplier who has supplied goods and/or services to the Company at any time during the period of 12 months immediately preceding the party ceasing to be a holder of the B Ordinary Shares if that solicitation or enticement causes or would cause such supplier to cease supplying, or materially reduce its supply of, those goods and/or services to the Company. The times during which the restrictions apply are:

- (a) any time when the party is a holder of the B Ordinary Shares; and
- (b) for a period of 24 months after the party ceases to be a holder of the B Ordinary Shares.

49.5 The undertakings in this clause are given by each holder of the B Ordinary Shares to the other Shareholder and to the Company and apply to actions carried out by him in any capacity and whether directly or indirectly, on his own behalf, on behalf of any other person or jointly with any other person.

49.6 Nothing in this clause prevents a party from holding for investment purposes only:

- (a) any units of any authorised unit trust; or
- (b) not more than 5% of any class of shares or securities of any company traded on a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000);

- (c) continuing as a director or shareholder in any Company for which he obtains Shareholder Consent prior to his employment within the Company group ceasing.

49.7 Each of the covenants in this clause is considered fair and reasonable by the parties.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

50.-(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when –

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

51.-(1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

52. (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting, or is not present within ten minutes of the time at which a meeting was due to start –

(a) the directors present, or

(b) (if not directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The persons chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

53.-(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The Chairman of the meeting may permit other persons who are not –

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

Adjournment

54.-(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if-

(a) the meeting consents to an adjournment, or

(b) it appears to be the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must -

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given) -

(a) to the same persons to whom notice of the company's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

55. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

56.-(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

57.-(1) A poll on a resolution may be demanded -

(a) in advance of the general meeting where it is to be put to the vote, or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by -

- (a) the chairman of the meeting;
 - (b) any one or more of the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if-
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

58. (1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which-

- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as-
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

59.-(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any

adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

60.-(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if-

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if-

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

61.-(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for

documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

No right to inspect accounts and other records

62. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

63. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

64.-(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against-

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article-

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a “relevant director” means any director or former director of the company or an associated company.

Insurance

65.- (1) The directors may decide to purchase and maintain insurance, at the expense of the company, *for the benefit of any relevant director in respect of any relevant loss.*

(2) In this article-

- (a) a “relevant director” means any director or former director of the company or an associated company.
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

Group Company: any company which is for the time being a member of the Buyer's Group.

Initial Consideration: the price paid to the Seller for his Consideration Shares whether in accordance with the Buyer's Articles of Association or otherwise.

Listing: the successful application and admission of all or any of the Sale Shares or any shares in any holding company of the Company or any securities representing such shares to the Official List, the AIM market operated by London Stock Exchange plc or to any other recognised investment exchange (as defined in section 285(1)(a) of FSMA).

Restricted Period: the period of 2 years commencing on the acquisition of the Seller's Shares in circumstances where the Seller is a Good Leaver.

Official List: the list maintained by the FCA in accordance with section 74(1) of FSMA.

Sale: the sale, transfer or other disposal of an interest in any of the Sale Shares (within the meaning of sections 820 to 825 of the Companies Act 2006), whether in one transaction or a series of transactions, to any person which confers, in aggregate, not less than 50 per cent of the voting rights conferred by all the issued shares in the capital of the Company from time to time.

Shares: the [] ordinary shares of £1 each, being the entire issued share capital of the Company.

Trigger Event: a Sale, Disposal or a Listing in circumstances where the Seller has been a Good Leaver as a result of wrongful dismissal, unfair dismissal, constructive unfair dismissal or redundancy.

2. ADDITIONAL CONSIDERATION

If a Trigger Event occurs during the Restricted Period, the Buyer and/or the Continuing Shareholders shall pay the Additional Consideration to the Seller (or his personal representative) within 10 Business Days after the proceeds of the Trigger Event have been received by the Company or another member of the Buyer's Group (as the case may be). If all or part of the consideration paid on any Disposal or Sale is deferred, the Additional Consideration will be deferred in the same proportion and paid within 10 Business Days of the receipt of such deferred consideration by the Company or another member of the Buyer's Group (as the case may be).

3. THIRD PARTY RIGHTS

- 3.1 A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.
- 3.2 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any other person.

4. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

5. GOVERNING LAW AND JURISDICTION

- 5.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 5.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

IN WITNESS whereof this document has been executed and delivered the day and year first above written.

Schedule Additional Consideration

1. CALCULATION OF ADDITIONAL CONSIDERATION

- 1.1 Subject to the remaining provisions of paragraph 1 of this Schedule, the Additional Consideration shall be calculated in accordance with the following formula:

AC =	$\frac{(A - (B + C)) \times D\%}{1}$
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Where:

AC: means the Additional Consideration.

A: means:

- (a) in the case of a Disposal or a Sale, the aggregate consideration due to the relevant member of the Buyer's Group or the Shareholders from such Trigger Event (before deducting any fees, commission or other expenses but after deducting any debts of any member of the Buyer's Group assumed by the Buyer or the Company in connection with such Trigger Event and including any deferred consideration) together with such sums as the parties or the Expert shall agree as representing the cash value of any benefit or consideration received or receivable otherwise than in cash, to the extent such consideration is attributable to the Company's Group;
- (b) in the case of a Listing in respect of the Company, the value at which the relevant equity securities of the Company are listed (before deduction of any fees, commission or other expenses); or
- (c) in the case of a Listing of any holding company of the Company, the proportion of the value at which the relevant equity securities of such holding company are listed (before deduction of any fees, commission or other expenses) which is attributable to the Company's Group.

B: means the Initial Consideration.

C: the costs and expenses incurred by the Buyer, its Shareholders and/or the Company wholly and exclusively in respect of the relevant Trigger Event.

D: [the percentage of the Consideration Shares represent to the entire issued share capital (regardless of class) of the Buyer].

PROVIDED that if AC is a negative number the Additional Consideration shall be deemed to be zero.

- 1.2 The Additional Consideration shall be agreed between the parties or, in the absence of agreement within 30 Business Days of the date of the relevant Trigger Event, the parties shall jointly instruct the Expert who shall determine and report in writing on the value of the Additional Consideration in accordance with *paragraph 2* of this Schedule. The Additional Consideration shall be paid in cleared funds into such bank within 52 days of it being either agreed in accordance with this clause 1.2 or determined by the Expert.
- 1.3 If more than one Trigger Event occurs during the Restricted Period, then:
- (a) references to a "Trigger Event" or "such Trigger Event" in the definitions of A and C set out in paragraph 1.1 shall be construed as meaning "all such Trigger Events during the Restricted Period"; and
 - (b) for the avoidance of doubt, any subsequent payment due from the Buyer or the Shareholders in respect of Additional Consideration shall not include any sum already paid to the Seller in accordance with *clause 2*.
- 1.4 If the Buyer or any member of the Buyer's Group or the shareholders of the Company enter into an agreement during the Restricted Period to conclude a Trigger Event after the expiry of the Restricted Period, the Restricted Period is deemed extended until after such agreement has been completed and the Trigger Event has occurred.

2. DETERMINATION OF DISPUTES

- 2.1 An Expert is a person appointed in accordance with this paragraph 2 to resolve a dispute arising under paragraph 1 of this Schedule.
- 2.2 The parties shall endeavour to agree on the appointment of an independent Expert and shall agree with the Expert the terms of such appointment.
- 2.3 If the parties are unable to agree on an Expert within 20 days of either party serving details of a suggested Expert on the other, either party may request the President at the time being of the Institute of Chartered Accountants for England and Wales to appoint an Expert being a Chartered Accountant at a medium sized firm of accountants based in Warwickshire.
- 2.4 The parties shall use all reasonable endeavours to procure that the Expert shall deliver a written decision and give notice (including a copy) of the decision to the parties as soon as possible and within a maximum of 30 Business Days of the matter being referred to him, if possible.
- 2.5 The parties are entitled to make submissions to the Expert including oral submissions and shall provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.

- 2.6 To the extent not provided for by this paragraph 2, the Expert may, in his reasonable discretion, determine such other procedures to assist with the conduct of the determination as he considers just or appropriate including (to the extent he considers necessary) instructing professional advisers to assist him in reaching his determination.
- 2.7 Each party shall with reasonable promptness supply each other with all information and give each other access to all documentation and personnel without charge as the other party reasonably requires to make a submission to the Expert under this paragraph 2.
- 2.8 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine any dispute, which may include any issue involving the interpretation of any provision of this agreement, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Expert's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 2.9 Each party shall bear its own costs in relation to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the parties equally or in such other proportions as the Expert directs.
- 2.10 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by paragraph 2.4 then:
- (a) either party may apply to The President for the time being of the Institute of Chartered Accountants to discharge the Expert and to appoint a replacement Expert with the required expertise; and
 - (b) this paragraph 2 applies in relation to the new Expert as if he were the first Expert appointed.

3. BUYER'S UNDERTAKINGS

- 3.1 The Buyer and the Shareholders jointly and severally undertake with the Seller:
- (a) to notify the Seller or his Personal Representatives of a Trigger Event within 10 Business Days of the Trigger Event occurring;
 - (b) to supply as soon as reasonably practicable and in any event not later than 10 Business Days after the request is made such evidence as the Seller or his Personal Representatives reasonably requires to establish whether they are entitled to any Additional Consideration and the amount;
 - (c) during the Restricted Period to act in good faith to the Seller or his Personal Representatives in all respects and, without limitation, not to do or permit any act or event itself and/or procure that the Buyer by any member of the Buyer's

Group does not do or permits any act or event itself which is intended to avoid or reduce any Additional Consideration payable to the Seller or his Personal Representatives.

- (d) during the Restricted Period, procure that neither the Buyer nor any member of its Group does not enter into any transaction other than for full value consideration to an independent third party acting in good faith;
- (e) during the Restricted Period, not to enter into or procure that neither the Buyer or any member of the Buyer's Group enters into any winding up when the Company is solvent or to make any proposal for a voluntary arrangement in relation to the Company or any member of the Buyer's Group.

Provided that nothing in this paragraph 3.1 shall prevent a director of the Buyer or any member of the Buyer's Group from taking any action necessary to fulfil his duties owed to the Company or the Buyer's Group.

SIGNED by
in the presence of:

Witness Signature.....

Name (block capitals).....

Address.....

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SIGNED by [**Shareholder**]
in the presence of:

Witness Signature.....

Name (block capitals).....

Address.....

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SIGNED by [**Shareholder**]
in the presence of:

Witness Signature.....

Name (block capitals).....

Address.....

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SIGNED by

for and on behalf of

[

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in the presence of:

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Witness Signature.....

Name (block capitals).....

Address.....

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