

ARTICLES OF ASSOCIATION
OF
CARE FERTILITY CHESTER (HOLDINGS) LIMITED

(Adopted by special resolution
passed on 9 January 2020)

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
CARE FERTILITY CHESTER (HOLDINGS) LIMITED (the “Company”)
(Adopted by special resolution passed on 9 January 2020)

INTRODUCTION

1 Interpretation

1.1 In these Articles, unless the context otherwise requires:

Adoption Date	the date of the special resolution adopting these Articles as set out at the beginning of this document;
A Shares	the A ordinary shares of £1.00 each in the capital of the Company;
A Shareholder	a shareholder holding A Shares;
Act	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);
Articles	the Company’s articles of association for the time being in force;
Bad Leaver	a B Shareholder who ceases to be an employee or director of, or a consultant to, a Group Company where the B Shareholder does not remain, or immediately become, an employee of, or a consultant to, another Group Company and he is not a Good Leaver;
B Shares	the B ordinary shares of £1.00 each in the capital of the Company;
B Shareholder	a Shareholder holding B Shares;
Business Day	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Conflict	means a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
Controlling Interest	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
Director	a director of the Company from time to time, and “Directors” Should be construed accordingly;
Disposal	the disposal by the Company or the Subsidiary of all, or a substantial part of, its business and assets (other than by way of security in favour of a secured funder) and which shall include, without limitation, the sale by the Company of any interest in the shares in the Subsidiary;
EBITDA	means the consolidated profit of the Company and the Subsidiary before (i) taxation, (ii) interest, (iii) depreciation of tangible assets and (iv) amortisation of intangible assets and shall be calculated by reference to the relevant Management Accounts for the relevant period and prepared for this purpose and agreed or determined in accordance with the provisions of Schedule 8 of the SPA;
Eligible Director	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
Exercise Notice	the written notice given in accordance with Article 17.1;
Exit	a Share Sale or a Disposal;
Good Leaver	<p>a B Shareholder who ceases to be an employee or director of, or a consultant to, a Group Company (where the B Shareholder does not remain, or immediately become, an employee of, or a consultant to, another Group Company) as a result of:</p> <ul style="list-style-type: none"> (a) the death of that B Shareholder; (b) Permanent Incapacity; (c) the termination of that B Shareholder’s employment by a Group Company in circumstances which constitute wrongful dismissal and/or unfair dismissal except where such unfair dismissal is as a result of a procedural defect; or (d) the termination of that B Shareholder’s employment by a Group Company as a result of

redundancy;

- (e) notice of termination of employment is given by the relevant Group Company pursuant to the B Shareholder's contract of employment/service agreement provided that it does not emerge following such notice of termination that at the time of notice of termination that grounds existed for the relevant Group Company to summarily dismiss the B Shareholder concerned under the terms of his contract of employment/service agreement; or
- (f) any other reason which the Majority Shareholder determines, in its absolute discretion, shall result in the B Shareholder being a Good Leaver for the purposes of these Articles;

Group means the Company, its subsidiaries from time to time, any holding company of the Company from time to time and any subsidiaries of such holding companies from time to time, and "**Group Company**" shall be construed accordingly;

holding company and subsidiary mean a "holding company" and "subsidiary" as defined in section 1159 of the Act;

Interested Director has the meaning given in Article 5.1;

Issue Price in relation to any Share, the amount paid up or credited as paid up on such Share, including the full amount of any premium at which such Share was issued;

Majority Shareholder means a registered holder for the time being of not less than 75% in nominal value of the A Shares;

Management Accounts management accounts of the Company and the Subsidiary prepared using policies consistent with those used for the preparation of the audited annual accounts of the Company and the Subsidiary including, inter alia and for the avoidance of doubt, any usual adjustments that would be made to regular management accounts to create the audited annual accounts of the Company and the Subsidiary;

Management Majority the holders for the time being of a majority of the issued B Shares;

Management Representative means Charles Kingsland for so long as he remains a B Shareholder or such other B Shareholder as may be notified in writing by a Management Majority to the Company from time to time (or in the event of the death of any appointed Management Representative, such other B Shareholder as may be notified in writing by the holders

	for the time being of a majority of the issued B Shares specifically excluding any Shares held by the deceased Management Representative);
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
Permanent Incapacity	by virtue of mental or physical ill health is determined by an independent medical specialist approved by the Majority Shareholder to be unable to perform all or substantially all of his duties as an employee of a Group Company for a continuous period of at least the next 12 months;
Put Option Completion	the completion of the exercise of the Put Option as described in Articles 17.8 to 17.12 inclusive;
Put Option Price	as defined in Article 17.6;
Put Option	the option to sell B Shares as set out in Article 17.1;
Put Option Period	the period of 3 months immediately following the end of Year Three;
Put Option Shares	the Put Option Shares as defined in Article 17.1;
Sale Proceeds	means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale);
Shares	the A Shares and B Shares in issue from time to time;
Shareholders	the holders of shares in the capital of the Company from time to time;
Shareholders' Agreement	the shareholders' agreement to be entered into on or around the Adoption Date between the Company and the shareholders of the Company immediately following the Adoption Date, as amended from time to time;
Share Sale	the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company

immediately before the sale;

SPA the agreement for the sale and purchase of the entire issued share capital of the Company between (1) Nabil Haddad and Simon Wood and (2) CARE dated 24 September 2019;

Subsidiary the Company's wholly owned subsidiary Cheshire Reproductive Medicine Limited (company number: 10689788);

Termination Date

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which the employment is terminated;
- (b) where employment ceases by virtue of notice given by the employee to the employer, the date on which such notice is served;
- (c) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served or, if later, the date on which such payment in lieu of notice is actually made in full;
- (d) where an Employee dies, the date of his death;
- (e) where the Employee concerned is a director but not an employee, the date on which his/her service agreement (or other terms of appointment) with the relevant Group Company is terminated; or
- (f) in any other case, the date on which the employment or holding of office is terminated;

Transfer Price in relation to any Sale Share(s) as defined in Article 19.4, the price to be paid for those Share(s) under Article 19;

Year Three has the meaning given in Article 17.6.

1.2 Unless expressly provided otherwise 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. The final paragraph of Model Article 1 shall not apply to the Company.

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 a numbered “**Article**” is a reference to the relevant article of these Articles unless expressly provided otherwise.

- 1.5 A reference to “writing” or “written” shall not include the sending or supply of notices, documents or information in electronic form including by fax.
- 1.6 Unless expressly provided otherwise in these Articles, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.6.1 any subordinate legislation made under it, whether before or after the date of adoption of these Articles; and
 - 1.6.2 any amendment or re-enactment, whether before or after the date of adoption of these Articles and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

This Article 1.6 shall not apply to the definition of “**Model Articles**” in Article 1.1.

- 1.7 Any words following the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.9 Model Articles 8(3), 11(2) and (3), 14(1), (2), (3) and (4), 38, 52 and 53 shall not apply to the Company.
- 1.10 Model Article 7 shall be amended by:
 - 1.10.1 the insertion of the words “for the time being” at the end of Model Article 7(2)(a); and
 - 1.10.2 the insertion in Model Article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.11 In Model Article 8(2), the words “copies of which have been signed by each eligible director” shall be deleted and replaced with the words “of which each Eligible Director has signed one or more copies”.
- 1.12 Model Article 20 shall be amended by the insertion of the words “and the company secretary (if any)” before the words “properly incur”.
- 1.13 In Model Article 25(2)(c) , the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 1.14 In Model Article 30(4), the words “the terms on which shares are issued” shall be deleted and replaced with “the rights attached to any shares”.

- 1.15 In Model Article 32(a), the words “the terms on which the share was issued” shall be deleted and replaced with “the rights attached to the share”.
- 1.16 Model Article 44(3) 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 Model Article.

DIRECTORS

2 Directors’ general authority

Any or all powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as the Majority Shareholder may from time to time by notice in writing to the Company prescribe.

3 Quorum for directors’ meetings

- 3.1 Subject to Article 3.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors (where at least one of such directors is a director appointed by the Majority Shareholder) or, where there is only one director in office for the time being, that director.
- 3.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 5 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

4 Transactions or other arrangements with the Company

- 4.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
 - 4.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 4.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 4.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 4.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be

entitled to remuneration for professional services as if he were not a director;

- 4.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 4.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 4.2 The provisions of Articles 4.1.1 to 4.1.6 (inclusive) are subject, where applicable, to any terms and conditions imposed by the directors in accordance with Article 5.3.

5 Directors' conflicts of interest

- 5.1 The directors may, in accordance with the requirements set out in this Article 5, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 5.2 Any authorisation under this Article 5 will be effective only if:
 - 5.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 5.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 5.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 5.3 Any authorisation of a Conflict under this Article 5 may (whether at the time of giving the authorisation or subsequently) impose upon the Interested Director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the Conflict and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions.
- 5.4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to

such revocation or variation, in accordance with the terms of such authorisation.

- 5.5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any member of the Group and no further authorisation under Article 5.1 shall be necessary in respect of any such interest.
- 5.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles, by the Company or by these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

6 Records of decisions to be kept

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

7 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than one. A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles.

8 Appointment and removal of directors

- 8.1 The Majority Shareholder may at any time and from time to time by notice in writing to the Company appoint any one or more persons to be a director or directors of the Company and to remove any director or directors from office (whether or not appointed pursuant to this Article 8) other than a director appointed pursuant to Article 8.2.
- 8.2 Model Article 18 shall be amended by the inclusion of the words “notification of the director’s removal is received by the Company from the Majority Shareholder pursuant to Article 8.1” as a new paragraph (g) at the end of that Model Article.
- 8.3 Any removal of a director pursuant to Article 8.1 shall be without prejudice to any claim for breach of contract under any employment agreement between the Company and the director so removed.

9 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. For the avoidance of doubt nothing in this Article 9 shall require the Company to appoint a secretary at any time.

SHARES AND SHAREHOLDERS

10 Quorum for general meetings

- 10.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 10.2 The quorum shall be the Majority Shareholder present in person, by proxy or by authorised representative.

11 Proxies

- 11.1 Model Article 45(1)(d) 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”.
- 11.2 Model Article 45(1) 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 Model Article.

12 Rights Attaching to Shares

Dividends

- 12.1 Any profits resolved to be distributed in respect of any period shall be distributed as follows:
 - 12.1.1 90% of the aggregate amount so distributed shall be distributed amongst the holders of the A Shares on a pro rata basis according to the par value of such A Shares held by each of the holders of the A Shares; and
 - 12.1.2 10% of the aggregate amount so distributed shall be distributed amongst the holders of the B Shares on a pro rata basis according to the par value of such B Shares held by each of the holders of the B Shares.

Capital

- 12.2 The share capital of the Company as at the Adoption Date shall be £146 divided into:
 - 12.2.1 100 A Shares; and

12.2.2 46 B Shares;

12.3 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:

12.3.1 first, in paying to each holder of the Shares in respect of each Share of which it is the holder, a sum equal to the Issue Price thereof; and

12.3.2 second, the balance of such assets (if any) shall be distributed as follows:

(a) 90% of the aggregate amount of such balance shall be distributed amongst the holders of the A Shares according to the amount paid up or credited as paid up on each such A Share; and

(b) 10% of the aggregate amount of such balance shall be distributed amongst the holders of the B Shares according to the amount paid up or credited as paid up on each such B Share.

13 Purchase of own Shares

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

13.1 £15,000; and

13.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

14 Exit provisions

14.1 On a Share Sale, the Sale Proceeds shall be distributed in the following order of priority:

14.1.1 first, in paying to each holder of the Shares in respect of each Share of which it is the holder, a sum equal to the Issue Price thereof; and

14.1.2 second, 90% of the balance of such Sale Proceeds (if any) shall be distributed amongst the holders of the A Shares according to the amount paid up or credited as paid up on each such A Share; and

14.1.3 finally, 10% of the balance of such Sale Proceeds (if any) shall be distributed amongst the holders of the B Shares according to the amount paid up or credited as paid up on each such B Share

- 14.2 The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in the manner specified in Article 14.1 (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:
- 14.2.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 14.1; and
- 14.2.2 each Shareholder shall take any reasonable action (to the extent lawful and within their control) required by Shareholder Majority to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 14.1.
- 14.3 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 12.3, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required by the Majority Shareholder (including, but without prejudice to the generality of this Article 14.3, such action as may be necessary to put the Company into voluntary liquidation so that Article 12.3 applies).

Voting

- 14.4 The A Shareholders and B Shareholders shall each have the right to receive notice of and attend and vote at any general meeting of the Company.
- 14.5 The A Shareholders present in person or by proxy or by representative shall be entitled on a show of hands and on a poll (or for the avoidance of doubt on any written resolution proposed to the Shareholders) to 90% of the total votes that can be cast on such matter divided on a pro rata basis amongst each A Share held by them which is fully paid up or credited as fully paid.
- 14.6 The B Shareholders present in person or by proxy or by representative shall be entitled on a show of hands and on a poll (or for the avoidance of doubt on any written resolution proposed to the Shareholders) to 10% of the total votes that can be cast on such matter divided on a pro rata basis amongst each B Share held by them which is fully paid up or credited as fully paid.

Class Rights

- 14.7 Whenever the capital of the Company is divided into different classes of Shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of 75% of the issued Shares of that class.

15 Partly Paid Shares, Liens and Forfeiture

- 15.1 It shall be permissible for the Company to issue partly paid Shares.
- 15.2 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all monies payable in respect of that Share only.
- 15.3 Subject to the terms of allotment, the Directors may make calls upon the members in respect of any sum unpaid on their Shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his Shares. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made and all expenses that may have been incurred by the Company by reason of such non-payment.
- 15.4 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
- 15.5 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 15.6 Notwithstanding anything contained in these Articles or in the Model Articles, the Directors shall not decline to register any transfer of Shares, nor may they suspend or delay registration thereof where such transfer:
 - 15.6.1 is to any bank or institution to which such Shares have been charged by way of security, or to any nominee, successor, permitted assignee or transferee of such a bank or institution (a **Secured Institution**); or
 - 15.6.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
 - 15.6.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,

and furthermore, notwithstanding anything to the contrary contained in these Articles or in the Model Articles, no transferor or proposed transferor (including a Secured Institution), of any Shares in the capital of the Company to a Secured Institution shall be required to provide any prior written notice

of the transfer to the Company or to offer the Shares which are, or are to be the subject of any such transfer, to the existing Shareholders at the time of the proposed transfer, and no such Shareholder shall have any right under these Articles or otherwise to require such Shares to be transferred to them whether for consideration or not.

15.7 Model Articles 24(1) and 25(1) shall be amended by the insertion of the words “provided that the Directors shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions” at the end of the respective Model Articles.

15.8 Notwithstanding anything contained in these Articles or the Model Articles, the Company shall have no lien on any shares which have been charged by way of security to a Secured Institution.

16 Allotment of Shares

16.1 The Directors shall not have the power given by section 550 of the Act to allot Shares or to grant rights to subscribe for or to convert any security into Shares.

16.2 The Company may authorise the Directors to exercise any power of the Company to allot Shares in the Company or to grant rights to subscribe for or to convert any security into Shares in the Company.

16.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Shares made by the Company.

16.4 Unless the Majority Shareholder and the Management Representative agree to the contrary by written notice to the Company, if the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to all members in proportion (as nearly as possible without involving fractions) to the number of existing Shares of the same class held by them respectively on the date of the offer on the same terms, and at the same price, as those Shares are being offered to other persons on a pari passu and pro rata basis. The offer:

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

16.4.2 may stipulate that any Shareholder who wishes to subscribe for a number of Shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Shares (“Excess Shares”) for which he wishes to subscribe.

16.5 Any Shares not accepted by Shareholders pursuant to the offer made to them in accordance with Article 16.4 shall be used for satisfying any requests for Excess Shares made pursuant to Article 16.4.2. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants pro rata to the

number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with Article 16.4 (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Shares remaining shall be offered to any other person as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

- 16.6 No Shares shall be allotted to any employee, Director, prospective employee or Director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003 unless the Directors otherwise direct.

17 Put Option

General

- 17.1 The Management Representative may require the Majority Shareholder to purchase all of the B Shares then held by the B Shareholders (**Put Option Shares**), by serving a notice in writing (**Exercise Notice**) on the Majority Shareholder at any time during the Put Option Period (but not thereafter) in accordance with Article 17.2 subject always to any right to purchase B Shares arising upon the relevant B Shareholder becoming a Bad Leaver which shall have priority over this Article 17.1.
- 17.2 The Put Option Shares shall be sold with full title guarantee free from all liens, charges and encumbrances and with all rights attached to them at the date of Put Option Completion.

Exercise of the Put Option

- 17.3 An Exercise Notice shall include:
- 17.3.1 the date on which the Exercise Notice is given;
 - 17.3.2 a statement to the effect that the Management Representative is exercising the Put Option; and
 - 17.3.3 a signature by or on behalf of the party serving the Exercise Notice.
- 17.4 An Exercise Notice may not be revoked once given without the written consent of the Majority Shareholder.

Consideration for Put Option

- 17.5 The Put Option Price payable by the Majority Shareholder on the exercise of the Put Option shall be satisfied in cash at Put Option Completion, and shall be calculated in accordance with Article 17.6.
- 17.6 The Put Option Price payable for each B Share shall be calculated by reference to the following formula:

$$\text{Put Option Price} = \frac{(\text{Y3 Earn Out EBITDA} \times 6) - \text{£1 million}}{46} \times 0.368$$

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where:

Year Three = the 12 month period ending on the 30th September 2022

Y3 Earn Out EBITDA = Y3 EBITDA less Y3 Group Recharges

Y3 EBITDA = the EBITDA of the Company and the Subsidiary during Year Three

Y3 Group Recharges = CARE Group central recharges for services adopted and used by the Company and the Subsidiary during Year Three, calculated in accordance with the provisions set out Schedule 3 of the Shareholders Agreement

provided always that:

- (i) where a B Shareholder becomes a Bad Leaver at any time before the end of Year Three the aggregate Put Option Price for all of the B Shares held by him shall be the price originally paid for such Shares (including any premium paid over and above the nominal value on subscription) (and for the avoidance of doubt, there is no transfer of value from the Bad Leaver's B Shares to the B Shares held by any other Shareholder in such circumstances); and
 - (ii) the Put Option Price in respect of each B Share shall not in any event exceed £20,000.
- 17.7 If the Put Option Price as calculated in accordance with Article 17.6 is zero or less than zero the aggregate Put Option Price payable by the Majority Shareholder to the B Shareholders in respect of all of the Put Option Shares shall be £1.

Completion of the Put Option

- 17.8 Put Option Completion shall take place at the registered office of the Company on the due date for payment of the Earn-out Payment (as defined in Schedule 8 of the SPA) as determined in accordance with paragraph 2.5 of Schedule 8 of the SPA, or such other place or such later date as the Management Representative and the Majority Shareholder may otherwise agree.
- 17.9 Each of the B Shareholders shall deliver to the Majority Shareholder at Put Option Completion:
- 17.9.1 a stock transfer form in respect of his Put Option Shares duly completed in favour of the Majority Shareholder (or such persons as the Majority Shareholder may direct); and
 - 17.9.2 share certificate(s) in respect of the Put Option Shares.
- 17.10 Immediately following Put Option Completion, the Majority Shareholder shall pay to each B Shareholder the Put Option Price payable in respect of each of his B Shares.

- 17.11 Following Put Option Completion, the B Shareholders and the Majority Shareholder shall use their reasonable endeavours to ensure the registration of the Majority Shareholder (or as it directs) as the holder of the Put Option Shares.
- 17.12 If a B Shareholder (**Defaulting B Shareholder**) fails to comply with his obligations under Article 17.9, any director of the Company may give a good discharge for the Put Option Price on behalf of the Defaulting B Shareholder and may execute and deliver to the Majority Shareholder a transfer of the Put Option Shares held by the Defaulting B Shareholder (**Relevant B Shares**) on behalf of the Defaulting B Shareholder. The Defaulting B Shareholder hereby:
- 17.12.1 irrevocably and by way of security for his obligations under these Articles appoints any one director of the Company nominated in writing by the Majority Shareholder as his attorney following the exercise of the Put Option to execute, on the Defaulting B Shareholder's behalf, a transfer of the Relevant B Shares in favour of the Majority Shareholder (or as the Majority Shareholder directs) and to execute such other documents and do all such other acts as may be necessary to transfer title to the Relevant B Shares to the Majority Shareholder (or as it directs); and
- 17.12.2 authorises the directors of the Company to approve the registration of such transfers or other documents.
- 17.13 In the event that no Exercise Notice is served by the Management Representative during the Put Option Period, the Put Option set out at Article 17.1 shall lapse.

18 Transfer and Compulsory Transfer of Shares

General

- 18.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 18.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to Article 18.4 and Article 18.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 18.3 No B Share may be transferred without the prior written consent of the Majority Shareholder (or as required by Article 17 or Article 19).
- 18.4 Any transfer of a Share by way of sale which is required to be made under Article 17 or Article 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

18.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by the Majority Shareholder, require:

18.5.1 any holder (or the legal representatives of a deceased holder); or

18.5.2 any person named as a transferee in a transfer lodged for registration; or

18.5.3 such other person as the Directors or the Majority Shareholder may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors or the Majority Shareholder thinks fit regarding any matter which they deem relevant to that purpose that may reasonably be required to establish whether there has been a transfer or purported transfer of Shares.

18.6 If any such information or evidence referred to in Article 18.5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, unless otherwise directed in writing by the Majority Shareholder the relevant Shares shall cease to confer on the holder of them any rights (to the extent such rights existed):

18.6.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;

18.6.2 to receive dividends or other distributions otherwise attaching to those Shares; or

18.6.3 to participate in any future issue or transfer of Shares.

18.7 The Directors may (with the consent of the Majority Shareholder) reinstate the rights referred to in Article 18.6 at any time.

19 Compulsory Transfers

Good Leaver

19.1 If a B Shareholder is or becomes a Good Leaver at any time then that B Shareholder shall be entitled to retain his B Shares and therefore such B shall not be deemed to have been offered for sale.

Bad Leaver

19.2 If a B Shareholder is or becomes a Bad Leaver at any time then, on the Termination Date, that B Shareholder shall be deemed to have offered for sale all of the B Shares held by that B Shareholder at the Termination Date for an aggregate price equal to the price originally

paid for such Shares (including any premium paid over and above the nominal value on subscription). The Majority Shareholder may elect to acquire some or all of his B Shares under this Article 19.

General

- 19.3 Notwithstanding the provisions of Article 19.2, the Majority Shareholder may, by notice in writing served on the Company and the relevant Bad Leaver(s), direct that some higher (but not lower) transfer price for the B Shares shall apply to any or all B Shares which would otherwise be subject to this Article 19.
- 19.4 The Majority Shareholder may within 6 months following the Termination Date serve a notice (the “**Transfer Notice**”) on a Bad Leaver stating that the Majority Shareholder wishes to purchase all (and not some only) of the B Shares held by the Bad Leaver (“**Sale Shares**”) at the Transfer Price, and specifying 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 such Transfer Notice).
- 19.5 On the date specified for completion in the Transfer Notice, the Bad Leaver shall, against payment from the Majority Shareholder, transfer the Sale Shares to the Majority Shareholder, in accordance with any requirements specified in Transfer Notice.
- 19.6 If the Bad Leaver fails to comply with Article 19.5 any Director (or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Bad Leaver:
 - 19.6.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the Sale Shares to the Majority Shareholder;
 - 19.6.2 receive the Transfer Price and give a good discharge for it; and
 - 19.6.3 (subject to the transfer being duly stamped) enter the Majority Shareholder in the register of Shareholders as the holders of the Sale Shares; and
 - 19.6.4 the Company shall pay the Transfer Price into a separate bank account in the Company’s name on trust (but without interest) for the Bad Leaver until he has delivered his certificate(s) for the Sale Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Directors may reasonably require to prove good title to those Shares) to the Company.
- 19.7 The Bad Leaver shall be deemed to have appointed the Company as the agent of the holder for the sale of the Sale Shares.
- 19.8 Forthwith following the Termination Date the Sale Shares shall cease to confer on the Bad Leaver any rights:

- 19.8.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares; or
- 19.8.2 to participate in any future issue or transfer of Shares.
- 19.9 The Directors may (with the prior written consent of the Majority Shareholder) disapply Article 19.8 or reinstate the rights referred to in Article 19.8 at any time and, in any event, such rights shall be reinstated in respect of any Sale Shares transferred pursuant to Article 19.7 on completion of such transfer.

ADMINISTRATIVE ARRANGEMENTS

20 Change of company name

- 20.1 The name of the Company may be changed by:
 - 20.1.1 a decision of the directors; or
 - 20.1.2 a special resolution of the shareholders,
- or otherwise in accordance with the Act.

21 Means of communication to be used

- 21.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - 21.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (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);
 - 21.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address.

For the purposes of this Article 21, no account shall be taken of any part of a day that is not a Business Day.

- 21.2 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.

22 Indemnity and insurance

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

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

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, or regulatory investigation or action, in which judgment is given in his favour or in which he is acquitted or the proceedings are, or the investigation or action is, otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

22.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings, investigation, action or application referred to in Article 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This Article 22 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law and any such indemnity is limited accordingly.

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

22.4 In this Article 22:

22.4.1 **"associated company"** means any member of the Group and **"associated companies"** shall be construed accordingly;

22.4.2 a **"relevant loss"** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

a **"relevant officer"** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined

by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).