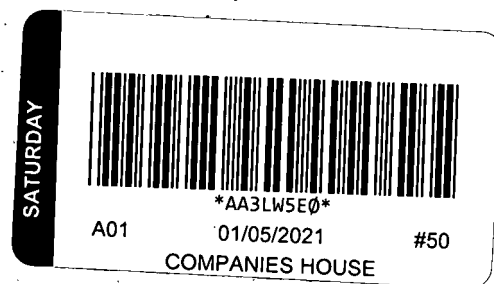


THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
TELFORD CRS HOLDINGS LIMITED  
(Adopted by special resolution passed on 28<sup>th</sup> April 2021)



## AGREED TERMS

### 1. Interpretation

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

**Act:** the Companies Act 2006;

**appointor:** has the meaning given in article 12.1;

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

**Board:** the board of directors of the Company;

**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;

**Continuing Shareholders:** has the meaning given in article 16.6;

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

**Determination Date:** shall have the meaning given in article 16.14;

**Expert:** an independent firm of accountants appointed by the shareholders or, in the absence of agreement between the shareholders on the expert or his terms of appointment within 7 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed, and whose terms of appointment are determined (in default of agreement), by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (acting as an expert and not as an arbitrator);

**Fair Value:** means the value of the Sale Shares determined in accordance with articles 17.1 and 17.3;

**Group Companies:** the Company and each and any of its Subsidiaries for the time being and Group Company shall be construed accordingly; 'Group' means the Company and its subsidiaries (if any) from time to time;

**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;

**Ordinary Shares:** the ordinary shares of £1 each in the capital of the Company, whether an A ordinary share, a B ordinary share, a C ordinary share or a D ordinary share.

**Original Shareholder:** a shareholder who transfers its shares to a Permitted Transferee in accordance with article 19;

**Permitted Group:** in relation to a company (wherever incorporated), any wholly owned Subsidiary of that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time;

**Permitted Transferee:** in relation to a shareholder that is a company, any member of the same Permitted Group as that company;

**Relevant Agreement:** means any agreement relating (in whole or in part) to the management of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles;

**Sale Shares:** the shares specified or deemed to be specified for sale in a Transfer Notice;

**Seller:** the transferor of shares pursuant to a Transfer Notice;

**Share:** an ordinary share of £1 in the capital of the Company whether an A ordinary share, a B ordinary share, a C ordinary share or a D ordinary share;

**Shareholder:** a holder of a Share or Shares in the capital of the Company;

**Subsidiary:** in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act. Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time shall apply to the company as it is at that time;

**Transfer Notice:** a notice in writing given by any Shareholder to the Company where that shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any shares;

**Writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 16, article 17, article 18 and article 19, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on 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 an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 2. Adoption of the Model Articles**
- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.4 In article 25(2)(c) of the Model Articles, the words "a reasonable fee" shall be deleted and replaced with the words "reasonable expenses".
- 2.5 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **Directors**

### **3. Directors' meetings and Quorum**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 3.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

3.4 The provisions relating to directors shall apply equally to meetings of any committee of the directors as to meetings of the directors.

3.5 The quorum for directors meetings shall be 2 directors.

#### **4. Unanimous decisions of directors**

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

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

#### **5. Number of directors**

The number of directors shall be no more than 6. No shareholding qualification for directors shall be required.

#### **6. Calling a directors' meeting**

6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by all the directors).

6.2 Notice of any directors' meeting must be accompanied by:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- (b) copies of any papers to be discussed at the meeting.

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

#### **7. Chairing directors' meetings**

The post of chairman (if any) of the directors will be held (if at all) by and for such duration only as the directors from time to time shall unanimously in writing agree. The chairman shall not have a casting vote.

## **8. Attendance at directors meetings**

All or any of the members of the board of directors or any committee of the board may participate in a meeting of the board or that committee by means of conference telephones or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

## **9. Directors' interests**

9.1 Except to the extent that article 9.5 applies or the terms of any authority given under that article otherwise provide, and without prejudice to such disclosure as is required under the Companies Act 2006, a director may be a party to, or otherwise interested in, any transaction or arrangement with the company and shall be entitled to participate in the decision-making process for quorum and voting purposes on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty that conflicts or may conflict with the interests of the company.

9.2 Subject to the provisions of the Companies Act 2006 and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may, notwithstanding his office or that, without the authorisation conferred by this article, he would or might be in breach of his duty under that Act to avoid conflicts of interest be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;

9.3 No director shall:

9.3.1 by reason of his office, be accountable to the company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under article 9.2 (and no such benefit shall constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);

9.3.2 be in breach of his duties as a director by reason only of his excluding himself from the receipt of information, or from participation in discussion (whether at meetings of the directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under article 9.2;

9.3.3 be required to disclose to the company, or use in relation to the company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised

under article 9.2 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection;

9.4 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

9.5 The directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching his duty under the Companies Act 2006 to avoid conflicts of interest, and any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict provided that:

9.5.1 such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of the articles, except that the director concerned and any other director with a similar interest:

- (a) shall not count towards the quorum at the meeting at which the conflict is considered;
- (b) may, if the other directors so decide, be excluded from any meeting of the directors while the conflict is under consideration; and
- (c) shall not vote on any resolution authorising the conflict except that, if he does vote, the resolution will still be valid if it would have been agreed to if his vote had not been counted; and

9.5.2 where the directors give authority in relation to such a conflict:

- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other director with a similar interest as they may determine, including, without limitation, the exclusion of that director and any other director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the directors or otherwise) related to the conflict;
- (b) the director concerned and any other director with a similar interest will be obliged to conduct himself in accordance with any terms imposed by the directors from time to time in relation to the conflict but will not be in breach of his duties as a director by reason of his doing so;
- (c) the authority may provide that, where the director concerned and any other director with a similar interest obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the company, or to use the information in relation to

the company's affairs, where to do so would amount to a breach of that confidence;

- (d) the authority may also provide that the director concerned or any other director with a similar interest shall not be accountable to the company for any benefit that he receives as a result of the conflict;
- (e) the receipt by the director concerned or any other director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) the directors may withdraw such authority at any time.

#### **10. Records of decisions to be kept**

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

#### **11. Overriding provisions**

11.1 Notwithstanding the provisions of these Articles, the members and directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement. Where there is any conflict between these Articles and any Relevant Agreement then, so far as may be permitted by law, the terms of the Relevant Agreement shall take precedence.

11.2 Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

#### **12. Alternate directors**

12.1 Any director (other than an alternate director) (in this article, **the appointor**) may appoint any person (whether or not a director) to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor. A person may be appointed an alternate director by more than one director.

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

12.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.

12.5 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors,

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

12.6 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and
- (b) may participate in a unanimous decision of the directors.

12.7 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors.

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

12.9 An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director; or
- (c) when the alternate director's appointor ceases to be a director for whatever reason.



## **Shares**

### **13. Share capital and share rights**

13.1 The capital of the Company comprise of A ordinary Shares of £1 each, B ordinary Shares of £1 each, C ordinary Shares of £1 each and D ordinary Shares of £1, each Ordinary Share having the rights set out in this article 13.

13.2 The rights attached to the Shares are as follows:

13.2.1 dividends/distributions: the directors in recommending, and the members in declaring, dividends and/or distributions may, as they see fit, respectively recommend and declare a dividend and/or distribution in respect of:

- i. A ordinary shares, and/or B ordinary shares, and/or C ordinary shares only to the exclusion of D ordinary shares; and/or
- ii. A ordinary shares, and/or B ordinary shares, and/or D ordinary shares only to the exclusion of C ordinary shares; and/or
- iii. A ordinary shares, and/or C ordinary shares, and/or D ordinary shares only to the exclusion of B ordinary shares; and/or
- iv. B ordinary shares, and/or C ordinary shares, and/or D ordinary shares only to the exclusion of A ordinary shares; and/or
- v. A ordinary shares, B ordinary shares, C ordinary shares and D ordinary shares and whether in differing or the same amounts; and

13.2.2 save as aforesaid all shares in issue from time to time shall rank *pari passu*.

### **14. Further issues of shares: authority**

Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.

### **15. Further issues of shares: pre-emption rights**

15.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company. The remainder of this Article 15 and the whole of Article 16 shall not apply to any transfer to a person pursuant to a charge over any Share, where such charge has been entered into with the prior written consent of all the Shareholders.

15.2 Unless otherwise agreed unanimously by all Shareholders, if the company proposes to allot any shares or equity securities, those shares or equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a *pari passu* and *pro rata* basis to the

number of shares held by those holders (as nearly as possible without involving fractions). The offer:

- (a) shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
- (b) may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.

15.3.1 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 15.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 15.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 15.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

15.3.2 Subject to Articles 15.2 and 15.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

## 16. **Share transfers: Transfer of shares subject to pre-emption rights**

16.1 In this Article, references to a transfer of a Share include the transfer or assignment 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.

16.2 Except where the provisions of Article 18 (DRAG ALONG AND TAG ALONG ON CHANGE OF CONTROL) or Article 19 (PERMITTED TRANSFERS) apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article.

16.3 A Seller shall, before transferring or agreeing to transfer any Shares, give a Transfer Notice to the Company specifying:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

- (c) the price (in cash) per share at which he wishes to transfer the Sale Shares (which shall be the Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Company (**Transfer Price**)); and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).

16.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.

16.5 As soon as practicable following a Transfer Notice, the Company shall offer the Sale Shares for sale to the Shareholders in the manner set out in article 16.6. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

16.6 In these Articles, '**Continuing Shareholders**' means all holders of Shares other than the Seller. The Company shall offer ('**Offer**') the Sale Shares to all Continuing Shareholders, inviting them to apply in writing within 28 Business Days of the later of either the Determination Date or the date of the Company's Offer (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this article 16.6 and article 16.7 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Company shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Company shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 16.7.

16.7 At the end of the First Offer Period, the Company shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within 20 Business Days of the date of the offer (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Company shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder who has applied for

Initial Surplus Shares in the proportion that his existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Company shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be dealt with in accordance with article 16.10.

- 16.8 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for (in response to the Company's Offer made pursuant to article 16.6) is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Company shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 16.6 and article 16.7, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under article 16.6 and, if necessary, article 16.7 have been made in respect of some or all of the Sale Shares,

the Company shall give written notice of allocation (**Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be 25 Business Days after the date of the Allocation Notice).

- 16.9 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice.

If the Seller fails to comply with the requirements of the Allocation Notice:

- (a) the Chairman of the Company (or, failing him, one of the other Directors, or some other person nominated by a resolution of the Company) may, on behalf of the Seller:

- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) receive the Consideration and give a good discharge for it; and
    - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
  - (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Company, in respect of any lost certificate, together with such other evidence (if any) as the Company may reasonably require to prove good title to those Shares) to the Company.
- 16.10 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 16.8 then within 26 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice under Article 16.8 (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person ('**Third Party**') at a price at least equal to the Transfer Price and on terms which are not more favourable to the transferee than those contained in the Transfer Notice. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 16.10 shall continue to be subject to any Minimum Transfer Condition.
- 16.11 In this Article 16 the restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of all Shareholders who, but for the waiver, would or might have been entitled to have such Shares offered to them in accordance with this Article;
- 16.12 **Determination Date:** if the determination of the Transfer Price is referred to the Expert, the date of determination of the Transfer Price ("the **Determination Date**") shall be the date on which the directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between all the members, the **Determination Date** shall be the date on which such agreement is made.
- 16.13 Subject to Articles 16.14, 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.
- 16.14 Article 16.13 shall not apply to any transfer of shares under either Article 16.10, 18 or 19.

## **17. Fair Value**

17.1 As soon as practicable after service of the Transfer Notice (under article 16), the shareholders shall appoint an Expert to determine the Fair Value of the Seller's shares in the Company.

17.2 Where an Expert is appointed: the costs and expenses of the Expert in determining the Transfer Price and of his appointment shall be borne in such proportion as the Expert shall determine (taking into account the conduct of the parties in relation to the matters in issue) or, in default of such determination: then as to one half by the Seller and as to the other half by the Applicants (as defined in article 16) pro rata according to the number of Sale Shares purchased by them and the balance, if any, of the costs and expenses of the Expert shall be borne by the Company. In the case of default by a person in paying its due proportion of such costs and expenses, any of the other contributors or the Company may pay such sum in its stead and any payment made in so doing shall be recoverable from the defaulter as a debt payable on demand.

17.3 In this article the Fair Value of the shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value of the Sale Shares in his opinion based on the following assumptions:

- (a) the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares);
- (b) the sale is between a willing buyer and a willing seller on the open market;
- (c) the sale is taking place on the date of the Transfer Notice;
- (d) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;
- (e) the shares are sold free of all encumbrances; and
- (f) to take account of any other factors that the Expert reasonably believes should be taken into account.

If any problem arises in applying any of the assumptions set out in this article 17.3, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.

17.4 The Expert shall be requested to determine the Fair Value within 25 Business Days of his appointment and to notify the shareholders in writing of his determination.

17.5 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company.

17.6 The Expert's determination shall be final and binding on the shareholders (in the absence of fraud or manifest error).

17.7 If the Seller fails to complete the transfer of shares as required under article 16, the Company:

- (a) is irrevocably authorised to appoint any person as agent to transfer the shares on the Seller's behalf and to do anything else that the Applicant or the Continuing Shareholders may reasonably require to complete the sale; and
- (b) may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Applicant.

## 18. Drag along and Tag along

### 18.1 Drag along

In these articles:-

- a **Qualifying Offer** shall mean an offer in writing by or on behalf of any person at arms length (**Offeror**) to the holders of the issued shares in the capital of the Company to acquire all their issued share capital; and
  - '**Associate**' means any person, firm or company which is a connected person (as defined in section 839 ICTA) of the Seller, or which is an associated company of any of the Sellers within the meaning of section 416 ICTA (but as if in section 416(2) ICTA there was substituted for the words "the greater part" wherever they appear the words "20% or more") or otherwise; and
  - ICTA means the Income and Corporation Taxes Act 1988.
- (a) If the holders of not less than 90% in nominal value of the issued share capital (**the Accepting Shareholders**), acting in good faith, wish to accept the Qualifying Offer, then the provisions of paragraph (b) shall apply.
- (b) The Accepting Shareholders shall give written notice to the remaining holders of the issued shares in the capital of the Company (**Other Shareholders**) of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound (provided the Offeror is not an Associate of the Accepting Shareholders (or any of them)) to accept the Qualifying Offer and to transfer their shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders and on the terms negotiated with the Offeror.
- (c) If any Other Shareholder shall not, within five days of being required to do so, execute and deliver transfers in respect of the issued shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- (d) Upon any person, following the issue of a notice pursuant to paragraph (b), becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the company (**New Member**), a notice shall be deemed to have been served

upon the New Member on the same terms as the previous notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the notice being deemed served on the New Member.

## 18.2 Tag along

- (a) This paragraph applies if at any time one or more Shareholders (**Proposed Sellers**) propose to sell, in one or a series of related transactions, 90% or more of the nominal value of the issued Shares in the capital of the Company (**Majority Holding**) to any person or persons who was or were not a member or members of the Company on the date of adoption of these Articles.
- (b) Where paragraph (a) applies, no transfer of any shares shall be made by the Proposed Sellers or registered, without the previous consent in writing of all the members, if it would result in a person or persons who was or were not a member or members of the Company on the date of adoption of these Articles (and any person or persons acting in concert (within the meaning of the City Code on Takeovers and Mergers) with him or them) obtaining direct or indirect control of a **Controlling Interest** unless, before the transfer is made, the proposed transferee(s) ("**Buyer**") make(s) a written offer (open for acceptance in England for a period of at least 30 days from its delivery) to all the members to purchase all the shares in the capital of the Company then in issue (at the same time and on the same terms and conditions for each member) at a specified price per share, the specified price, subject to article 13.2.2A, being the same price for each such share. Such offer may be made conditional upon all or any proportion of the members accepting it. No member (including the Proposed Sellers) shall complete any sale of shares to the Buyer unless the Buyer completes the purchase of all the shares agreed to be sold simultaneously.

## 19. Permitted Transfers and Obligatory Transfers

- 19.1 Any member being a body corporate may at any time with the prior written consent of all other Shareholders transfer all (but not some only) of the shares held by it to a member of the same group (as hereinafter defined).
- 19.2 Where shares have been transferred article 19.1 (whether directly or by a series of transfers thereunder) from a body corporate ("the Transferor Company", which expression shall not include a second or subsequent Transferor in such a series of transfers) to a member of the same group ("the Transferee Company") and subsequently the Transferee Company ceases to be a member of the same group as the Transferor Company, the Transferee Company shall forthwith transfer the Relevant Shares (as hereinafter defined) to the Transferor Company and failure so to transfer such shares within 28 days of the Transferee Company ceasing to be a member of the



same group as the Transferor Company shall result in a Transfer Notice being deemed immediately to be given in respect of the Relevant Shares.

19.3 For the purposes of this paragraph:

- (a) the expression "a member of the same group" means a company which is from time to time a holding company of which the Transferor Company is a wholly-owned subsidiary or a wholly-owned subsidiary of the Transferor Company or of any holding company of which the Transferor Company is a wholly-owned subsidiary; and
- (b) the expression "Relevant Shares" means and includes (so far as the same remain from time to time held by the Transferee Company) the shares originally transferred to the Transferee Company and any additional shares issued or transferred to the Transferee Company by virtue of the holding of the relevant shares or any of them.

19.4 Any member may at any time, with the prior written consent of all other Shareholders, transfer all or any of his shares to:-

- (a) his/her spouse and/or his/her child or children and/or grandchildren and/or his/her parents and/or his/her brother(s) and/or sister(s); or
- (b) any person;

Provided That the Transferee on transfer of such shares enters into and delivers to the Company a deed of adherence if required by the terms of any Relevant Agreement to which the Company is a party.

19.5 The personal representatives of a member may at any time transfer all or any of the shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under these Articles.

19.6 If the personal representatives of a member are permitted under these Articles to become registered as the holders of any of such member's shares and elect so to do, such shares may at any time be transferred by those personal representatives to any person to whom under this Article the same could have been transferred by such member if he had remained the holder thereof, but no other transfer of such shares by the personal representatives shall be permitted under this Article.

19.7 Unless all the members otherwise consent in writing, no transfer of any share permitted by this Article shall be made during the active period of any Transfer Notice in respect of such share (and for this purpose "active period" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).

### **19.8. Obligatory Transfers**

- 19.8.1 If any of the following events (Obligatory Transfer Events) happen to a shareholder (in this article, the Seller), he shall be deemed (in particular for the purposes of article 16) to have served a Transfer Notice on the other shareholders.

#### **Obligatory Transfer Events:**

- 19.8.2 **Obligatory Transfer Event** means in relation to a member being an individual:

- (a) being adjudicated bankrupt, or
- (b) dying.

- 19.8.3 If a member has suffered an Obligatory Transfer Event he/it shall be regarded as giving a Deemed Transfer Notice in relation to all his/its shares in the Company on the date on which the other shareholders become aware of the Obligatory Transfer Event, and in relation to such Deemed Transfer Notice it shall be irrevocable.

- 19.8.4 As soon as practicable after service, or deemed service (in consequence of the occurrence of an Obligatory Transfer Event), of the Transfer Notice (under either article 16 or article 17), the shareholders shall appoint an Expert to determine the Fair Value of the Seller's shares in the Company.

- 19.8.5 Where an Expert is appointed: the costs and expenses of the Expert in determining the Transfer Price and of his appointment shall be borne in such proportion as the Expert shall determine (taking into account the conduct of the parties in relation to the matters in issue) or, in default of such determination: then as to one half by the Seller and as to the other half by the Applicants (as defined in article 16) pro rata according to the number of Sale Shares purchased by them and the balance, if any, of the costs and expenses of the Expert shall be borne by the Company. In the case of default by a person in paying its due proportion of such costs and expenses, any of the other contributors or the Company may pay such sum in its stead and any payment made in so doing shall be recoverable from the defaulter as a debt payable on demand.

### **Decision making by shareholders**

#### **20. Quorum for general meetings**

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

#### **21. Chairing general meetings**

The chairman of the board of directors shall chair general meetings unless the members in general meeting resolve otherwise. In the event of an equality of votes the

chairman of a general meeting shall not, by reason of his post as chairman, be entitled to a second or casting vote.

**22. Voting**

22.1 at a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; and

22.2 on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

**23. Poll votes**

23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

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

**24. Proxies**

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

24.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

**Administrative arrangements**

**25. Means of communication to be used**

25.1 Subject to article 25.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was

guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, eight hours after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

25.2 Any notice, document or other information served on, or delivered to, an intended recipient under articles 14 to 19 (inclusive) (as the case may be) may not be served or delivered in electronic form (other than by fax), nor by means of a website.

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

## **26. Pensions**

The directors may, where proper and reasonable in the interests of the Company, give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any employees or ex-employees and to officers and ex-officers (including directors and ex-directors) of the Company or its predecessors in business or of any holding company or subsidiary of the Company or to the relations or dependants of any such persons and may establish, support and maintain pensions, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and/or their relations or dependants or any of them. Any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit and may vote as a director in respect of the exercise of any of the powers by this Article conferred upon the directors notwithstanding that he is or may become interested therein.

## **27. Indemnity and insurance**

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all proper costs, charges, losses, reasonable expenses and liabilities properly incurred by him as a relevant officer:
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

- (ii) in relation to the Company's activities, if any, as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 27.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

27.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

27.3 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.

27.4 In this article:

- (a) a "relevant officer " means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.