

DATED

13 May

2022

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION



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associates

TABLE OF CONTENTS

1.	Interpretation	2
2.	Directors to take decisions collectively	8
3.	Unanimous decisions	8
4.	Calling a directors' meeting	8
5.	Quorum for directors' meetings	8
6.	Casting vote	8
7.	Number of directors	9
8.	Appointment of directors	9
9.	9	
	Transactions or other arrangements with the Company	9
10.	Directors' conflicts	10
11.	Records of decisions to be kept	11
12.	Secretary	11
13.	Pre-emption rights on the issue of further shares	12
14.	Transfers of shares: general	13
15.	Pre-emption rights on the transfer of shares	13
16.	Compulsory transfers	17
17.	Valuation	18
18.	Drag along	19
19.	General meetings	21
20.	Voting	21
21.	Purchase of own shares	22
22.	Means of communication to be used	22
23.	Indemnity and insurance	23

Company number 13933708
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BOTHWICK SANDS LTD (the Company)

(Adopted by special resolution passed on 13 May 2022)

INTRODUCTION

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

"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).
"Adoption Date"	the date of adoption of these Articles.
"Articles"	the Company's articles of association for the time being in force.
"Bad Leaver"	an Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where they are not a Good Leaver.
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
"Called Shareholder"	has the meaning given to it in article 18.1;
"Called Shares"	has the meaning given to it in article 18.2(a);
"Completion Date"	has the meaning given to it in article 18.2(d);
"Conflict"	has the meaning given to it in article 10.1;

"connected"	has the meaning given in section 252 of the Act.
"Continuing Shareholders"	has the meaning given to it in article 15.6;
"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.
"Deemed Transfer Notice"	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.
"Departing Employee Director"	an Employee Director who ceases to be a director or employee of the Company (other than by reason of death).
"Directors"	the directors of the Company from time to time.
"Disposal"	the disposal by the Company of all, or a substantial part of, its business and assets.
"Drag Along Option"	has the meaning given to it in article 18.1;
"Drag Along Notice"	has the meaning given to it in article 18.2;
"Eligible Director"	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter).
"Employee Director"	Any individual with a controlling interest in a Minority Shareholder who is, or has been, a director and/or an employee of the Company.
"Fair Value"	has the meaning given in article 17.
"Financial Year"	an accounting reference period (as defined in section 391 of the Act) of the Company.
"First Offer Period"	has the meaning given to it in article 15.6;
"Good Leaver"	an Employee Director who becomes a Departing Employee Director by reason of death or as a result of the Directors (with

any Shareholder approval required pursuant to any Relevant Agreement) determining that such person is not a Bad Leaver.

"Independent Expert" the auditors for the time being of the Company or, if they decline the instruction, an independent firm of chartered accountants of repute appointed by the Company and the Seller in accordance with article 17.

"Initial Surplus Shares" has the meaning given to it in article 15.8(c);

"Issue Price" in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

"Majority Shareholders" Means Enzo Capital Investments Limited (12225435) and Rediex Limited (13928084) each a Majority Shareholder and "Majority Shareholder" shall be construed accordingly.

"Majority Shareholder Director" Any Director appointed by a Majority Shareholder and "Majority Shareholder Directors" shall be construed accordingly.

"Minimum Transfer Condition" has the meaning given to it in article 15.2(d);

"Minority Shareholders" means:
(a) Charlton Robertson Holdings Ltd (13860465); and
(b) Dann Holdings Ltd (13808523),
(each a **Minority Shareholder**);

"Model Articles" the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date.

"Offeree" has the meaning given to it in article 13.2;

"Proposed Buyer" has the meaning given to it in article 18.1;

"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;
"Relevant Officer"	means any director or secretary or former director or secretary of the Company;
"Relevant Period"	any relevant period of restriction on the transfer of Shares as set out in any Relevant Agreement;
"Relevant Agreement"	any agreement relating (in whole or in part) to the management and/or the affairs of the Company which is binding from time to time on the Company and the Shareholders.
"Sale Shares"	has the meaning given in article 15.2(a).
"Second Offer Period"	has the meaning given to it in article 15.9;
"Second Surplus Shares"	has the meaning given to it in article 15.11;
"Seller"	has the meaning given in article 15.2.
"Sellers' Shares"	has the meaning given to it in article 18.1;
"Shareholder"	a holder for the time being of any Share or Shares.
"Shares"	shares (of any class) in the capital of the Company and Share: shall be construed accordingly.
"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 the buyer of those Shares 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.
"Termination Date"	

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;
- (b) 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;
- (c) where an Employee Director dies, the date of his death; or
- (d) in any other case, the date on which the employment or holding of office is terminated.

"Transfer Notice" has the meaning given in article 15.2.

"Transfer Price" has the meaning given in article 15.2.

"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, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.6 A reference in these Articles to:
 - (a) an **Article** is a reference to the relevant numbered article of these Articles; and
 - (b) a **model article** is a reference to the relevant article in the Model Articles,

unless expressly provided otherwise.

- 1.7 A reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time. A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.10 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.
- 1.11 Article 2 of the Model Articles shall be amended by replacing the word "members" for the word "shareholders".
- 1.12 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 17(2), 18(e), 22, 26(5), 38, 39, 44(2), 49, 52 and 53 shall not apply to the Company.
- 1.13 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.14 Article 26(5) of the Model Articles shall be amended by inserting the words "without giving any reason therefor" after the word "share".
- 1.15 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.16 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.17 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".
- 1.18 Article 35 of the Model Articles shall be amended by the insertion of the words "by deed" after the words "in writing".

DIRECTORS

2. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

2.1 Any decision of the Board, must be either a majority decision at a meeting or a decision taken in accordance with article 3.

2.2 If:

- (a) the Company only has one director for the time being; and
- (b) no provision of the Articles requires it to have more than one director;

the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

3. UNANIMOUS DECISIONS

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

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

4. CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving not less than five Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

5. QUORUM FOR DIRECTORS' MEETINGS

5.1 Save where there is only one director (in which case the quorum shall be one) and subject to article 5.2, the quorum for the transaction of business at a meeting of the directors shall be three Eligible Directors of which two must be Majority Shareholder Directors.

5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 10 to authorise a director's conflict, if there are insufficient Eligible Directors to constitute a quorum, the quorum for such meeting (or part of a meeting) shall be all the Eligible Directors.

6. CASTING VOTE

6.1 If the number of votes for and against a proposal at a meeting of directors are equal, the chairman of the Board shall not have a casting vote and the matter shall be referred to the Majority Shareholders for a final determination and decision.

7. NUMBER OF DIRECTORS

- 7.1 The number of directors shall not be subject to any maximum requirement but shall be no less than four.

8. APPOINTMENT OF DIRECTORS

- 8.1 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 8.2 Subject to article 8.1 each Majority Shareholder shall have the right, for so long as they hold Shares, to appoint a director to, and remove a director whom it appointed from, the Board by giving notice in writing to the Company and the other Shareholders, and to the director being removed, in the case of removal of a director. The appointment or removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date. Each party will consult with the other parties prior to any appointment or removal of a director to co-ordinate the change with the Board.
- 8.3 The party removing a director shall indemnify and keep indemnified the Company against any claim connected with the director's removal from office

9.

TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 9.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their 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:
- (a) 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;
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
 - (c) 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 they are interested;
 - (d) may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they were not a Director;

- (e) 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
- (f) shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them) 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 their duty under section 176 of the Act.

10. DIRECTORS' CONFLICTS

- 10.1 The Directors may, in accordance with the requirements set out in this article 10, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching their duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 10.2 Any authorisation under this article 10 will be effective only if:
 - (a) 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;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (c) 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.
- 10.3 Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):
 - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through the Interested Director's position as a Director of the Company) information that is confidential to a third party, they will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

- 10.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 10.5 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.
- 10.6 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 they derive from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

11. 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.

12. SECRETARY

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

SHARES

13. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 13.1 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.
- 13.2 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 the holders (on the date of the offer) of the Shares (each an "**Offeree**") on a pari passu basis (as if they constituted shares of the same class) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those shares are being, or are to be, offered to any other person.
- 13.3 An offer made under article 13.2 shall:
- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the shares being offered;
 - (b) remain open for a period of at least 20 Business Days from the date of service of the offer; and
 - (c) stipulate that any Offeree who wishes to subscribe for a number of shares in excess of the number to which he is entitled under article 13.2 shall, in his acceptance, state the number of excess shares (the "**Excess Shares**") for which he wishes to subscribe.
- 13.4 If, on the expiry of an offer made in accordance with article 13.2, the total number of shares applied for is less than the total number of shares so offered, the Board shall allot the shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 13.5 Any Shares not accepted by Offerees pursuant to an offer made in accordance with article 13.2 shall be used to satisfy any requests for Excess Shares made pursuant to article 13.3(c). If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (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 those allotments, any Excess Shares shall be offered to any other person(s) as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.

14. TRANSFERS OF SHARES: GENERAL

- 14.1 In these articles, reference to the transfer of a Share, includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

- 14.2 No Share shall be transferred, and the Board shall refuse to register a transfer of any Share, unless it is made in accordance with these articles. The Board shall register any duly stamped transfer made in accordance with these articles, unless they suspect that the proposed transfer may be fraudulent.

15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 15.1 Except where the provisions of article 16 and article 18 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 15. Subject to article 16, no transfer of Shares shall take place prior to expiry of the Relevant Period.

- 15.2 A Shareholder who wishes to transfer in the case of a Minority Shareholder all and not part only of its Shares or in the case of a Majority Shareholder Shares held by that Majority Shareholder representing at least 10% of the Shares of the Company in issue at that time (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company, giving details of the proposed transfer, including:

- (a) the total number of Shares they wish to transfer which in the case of a Minority Shareholder shall be all its Shares and in the case of a Majority Shareholder at be at least 10% of of the Shares of the Company in issue at the time and held by that Majority Shareholder(**Sale Shares**);
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which the Seller wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (the **Transfer Price**); and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

- 15.3 Except in the case of a Deemed Transfer Notice which may not be withdrawn, a Transfer Notice may only be withdrawn with the consent of all other Shareholders.

- 15.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these articles.

- 15.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 15.2(d)) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

- 15.6 The Board shall offer the Sale Shares to all Shareholders other than the Seller (the **"Continuing Shareholders"**), inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **"First Offer Period"**) for the maximum number of Sale Shares they wish to buy.
- 15.7 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 15.8 to article 15.11 shall be conditional on the fulfilment of the Minimum Transfer Condition.

- 15.8 If:
- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which the Continuing Shareholder's 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 down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.
 - (b) not all Sale Shares are allocated following allocations in accordance with article 15.8(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 15.8(a). The procedure set out in this article 15.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **"Initial Surplus Shares"**) shall be dealt with in accordance with article 15.9.
- 15.9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from

the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the "**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.

- 15.10 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that the Continuing Shareholder's 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 down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which it has stated it is willing to buy.
- 15.11 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 Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the "**Second Surplus Shares**") shall be dealt with in accordance with article 15.16.
- 15.12 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 15.8 to article 15.11, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 15.13 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 15.8 to article 15.11 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an "**Allocation Notice**") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an "**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (the "**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be at least 30 Business Days, after the date of the Allocation Notice).

- 15.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 15.15 If the Seller fails to comply with article 15.14:
- (a) the chairman of the Board (or, one of the other directors, of the Company) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in the Seller's 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 no Applicant shall be obliged to see to the distribution of the Consideration); and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale 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 the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 15.16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 15.12 then, within 20 Business Days following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Company shall have the right to purchase the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be).
- 15.17 Within 20 Business Days of expiry of the time period in article 15.16 above, the Seller may transfer any of the Sale Shares not otherwise allocated in accordance with the provisions of this article 15, to any person at a price at least equal to the Transfer Price provided that no such transfer of Sale Shares shall take place without the prior written consent and authority of the Majority Shareholders. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 15.16 shall continue to be subject to any Minimum Transfer Condition.
- 15.18 The restrictions imposed by this article shall be further subject to any applicable provisions in any Relevant Agreement but may be waived in relation to any proposed transfer of Sale Shares, with the consent of the Shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this article.

16. COMPULSORY TRANSFERS

16.1 Subject to article 16.3, a Shareholder is deemed to have served a Transfer Notice under Article 15.2 immediately before any of the following events:

- (a) a bankruptcy petition being presented for the shareholder's bankruptcy; or
- (b) an arrangement or composition with any of the shareholder's creditors being made; or
- (c) the Shareholder convening a meeting of their creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of their creditors generally; or
- (d) the Shareholder being unable to pay their debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- (e) a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
- (f) the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which the shareholder is resident, carries on business or has assets; or
- (g) an Employee Director becoming a Departing Employee Director (a **Compulsory Employee Transfer**) (unless the Directors, with the prior consent of the Majority Shareholders, otherwise direct in writing within 10 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served). For the purpose of this Article 16.1(g), the Transfer Notice is deemed to have been served on the relevant Termination Date; or
- (h) the Shareholder committing a material or persistent breach of any Relevant Agreement to which the shareholder is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the shares of the other class requiring such remedy.

16.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and, subject to Article 16.2(b) and Article 16.2(c), the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuer in accordance with Article 17;
- (b) the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Director is:
 - (i) a Bad Leaver, be 75% of the aggregate Fair Value of such Sale Shares; and
 - (ii) a Good Leaver, be the aggregate Fair Value of such Sale Shares;

- (c) if the Shareholder is deemed to have given a Transfer Notice as a result of any of the events set out in Article 16.1 during any Relevant Period, the Transfer Price shall be 75 % of the aggregate Fair Value of such Sale Shares.
- (d) If the Shareholder is deemed to have given a Transfer Notice as a result of Article 16.1 (h) before or after the expiry of any Relevant Period the Transfer Price shall be 75 % of the aggregate Fair Value of such Sale Shares.

16.3 A Deemed Transfer Notice under Article 16.1(g) or Article 16.1(h) shall, save where the relevant shareholder is a Good Leaver immediately and automatically revoke:

- (a) a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under Article 16.1(g) or Article 16.1(h) (as the case may be); and
- (b) a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in Article 16.1(a) to Article 16.1(h) (inclusive) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under Article 16.1(g) or Article 16.1(h) (as the case may be).

17. VALUATION

17.1 The Fair Value shall be the price per Sale Share (in cash) agreed between the Board and the Seller or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice is served;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

17.2 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

17.3 The Board will give the Independent Expert access to all accounting records or other relevant documents, subject to it agreeing such confidentiality provisions as the Board may reasonably impose.

- 17.4 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 17.5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 17.6 The Independent Expert shall be requested to determine the Fair Value within 40 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 17.7 The cost of obtaining the Independent Expert's certificate shall be borne by the Seller in all circumstances.

18. DRAG ALONG

- 18.1 If the holders of at least 75% by nominal value of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 18.
- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 18;
 - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of completion of transfer of the Called Shares (the **Completion Date**).
- 18.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30

Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 18.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
 - (b) that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 15 Business Days after the date of service of the Drag Along Notice.
- 18.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 18.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the amounts due pursuant to article 18.6, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their Shares.
- 18.8 If any Called Shareholder does not, on or before the Completion Date, deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent to execute and deliver all necessary transfers on their behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 18.
- 18.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security

into, Shares, whether or not pursuant to a Relevant Agreement (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 18 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 18.9 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

- 18.10 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in Article 15, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 18.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

DECISION-MAKING BY SHAREHOLDERS

19. GENERAL MEETINGS

- 19.1 No business other than, subject to article 19.2, the appointment of the chair 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.
- 19.2 The Chair shall chair general meetings. If there is no Chair in office for the time being, or the Chair is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting.

20. VOTING

- 20.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 20.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 20.3 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.

20.4 Model article 45(1) shall be amended by:

- (a) the deletion of model article 45(1)(d) and its replacement 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"; and
- (b) 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.

21. PURCHASE OF OWN SHARES

21.1 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:

- (a) £15,000; and
- (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

ADMINISTRATIVE ARRANGEMENTS

22. MEANS OF COMMUNICATION TO BE USED

22.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post or other next day delivery service to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting 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, one hour 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 Business Day.

- 22.2 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.

23. INDEMNITY AND INSURANCE

- 23.1 Subject to article 23.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) ~~each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a Relevant Officer in the actual or purported execution and/or discharge of their duties, or in relation thereto including (in each case) any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part, or in connection with any application in which the court grants them, in their 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 them in connection with any proceedings or application referred to in article 23.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 23.2 This article 22.1 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.
- 23.3 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.