

ARTICLES OF ASSOCIATION
of
NWH HOLDINGS LIMITED
(Company Number SC303441)

Adopted by special resolution dated 30th April 2022



Certified a true copy on 28.06.2022
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A handwritten signature in black ink, appearing to read 'Fergus A', with a long horizontal stroke extending to the right.

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Articles of Association

of

The NWH Holdings Limited

(Company Number SC303441)

1. Definitions and Interpretation

- 1.1 In these articles unless the context otherwise requires each of the following words and expressions shall have the following meanings:

A Ordinary Share(s): the shares of £1 each in the capital of the Company from time to time designated as A Ordinary Shares and having the rights set out in these articles.

Act: the Companies Act 2006.

acting in concert: the meaning set out in the City Code on Takeovers and Mergers for the time being.

B Ordinary Share(s): the shares of £1 each in the capital of the Company from time to time designated as B Ordinary Shares and having the rights set out in these articles.

Board: the board of directors of the Company.

Business Day: any day (other than a Saturday or Sunday) on which banks are open in Edinburgh for normal banking business.

C Ordinary Share(s): the shares of £1 each in the capital of the Company from time to time designated as C Ordinary Shares and having the rights set out in these articles.

Change of Control: the obtaining of Control of the Company by any person or persons (whether acting individually or acting in concert).

Control: has the meaning given in section 1124 of the Corporation Taxes Act 2010.

Controlling Interest: an interest (as defined in sections 820 to 825 of the Act) in Shares conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company.

Connected Person: has the meaning given in section 993 of the Income Tax Act 2007 and **connected with** will be construed accordingly.

Director: a director of the Company.

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).

Exit Event: means a Sale.

Exit Value: means in the event of a Sale, the aggregate consideration expressed as a cash price (whether that consideration is to be satisfied in cash, shares, loan notes or a combination thereof or otherwise and whether that consideration is contingent or deferred) paid or undertaken to be paid for all of the issued Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Growth Shares on or following completion of an agreement or offer to acquire, inter alia all of the Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and the Growth Shares (or where the sale comprises some only of the Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Growth Shares (a “**Partial Sale**”) the amount which would have been paid if all of the Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Growth Shares had been acquired at the same price per Share as the Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and the Growth Shares comprised in the Sale) less the reasonable costs of the Sale (including but not limited to broker, legal and accounting fees) to the extent that such costs have not already been taken into account in the aggregate consideration.

Family Member: the wife, husband or civil partner (or widow, widower or surviving civil partner), children and grandchildren (including step, adopted children and grandchildren and their issue) of the relevant person.

Family Trust: as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Family Members of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).

Financial Year: an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act.

Group: the Company, its subsidiary undertakings and any holding company (as both are defined in the Act) from time to time and **member of the Group** and **Group Company** shall be construed accordingly.

Growth Shares: means the Growth Shares of £0.01 each in the capital of the Company and “Growth Shareholder(s)” shall be construed accordingly.

Growth Share Issue Price means the Issue Price of the Growth Shares.

First Hurdle Amount: means

- (a) in the case of a Sale of the entire issued share capital of the Company, the Exit Value being equivalent to the sum calculated by multiplying the RMC by 13.23; or
- (b) in the case of a Sale where such Sale relates to less than the entire issued share capital of the Company) (“Partial Sale”) , an amount such that based on the price per share of such Partial Sale, the Exit Value on a Sale of the entire issued share capital of the Company would be equivalent to the sum calculated by multiplying the RMC by 13.23; or
- (c) in the case of a Return of Capital, the Return of Capital Balance being equivalent to the sum calculated by multiplying the RMC by 13.23.

First Hurdle Excess: means the amount by which the Exit Value or the Return of Capital Balance (whichever relevant) exceeds the First Hurdle Amount subject to a maximum amount calculated by the formula: (Second Hurdle Amount LESS the First Hurdle Amount).

Issue Price: in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium.

Incapable: means the inability to make a decision as defined in section 1(6) of the Adults with Incapacity (Scotland) Act 2000 and any subsequent statutory modification, consolidation or re-enactment thereof.

Leaver: a Growth Shareholder who is an individual and having been a Director, employee or consultant of a member of the Group, ceases to hold such office or employment or engagement including as a result of death or being Incapable (and does not continue as a Director or employee or consultant of any other Group Company) unless it is as a result of a

transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Board determines that such person is not a Leaver.

Model Articles: the model articles for 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 Company from time to time designated as ordinary shares.

Original Shareholders: each of Mark Williams, Craig Williams and Richard Williams as the case may be.

Permitted Transfer: a transfer of Shares permitted under and made in accordance with Article 6.

Permitted Transferee: the transferee under a Permitted Transfer.

PMC: means the value given for the costs of “purchases” under the “cost of sales” column in the annual audited accounts of the Company for the year ended on 30th September 2020.

Return of Capital: means in respect of the Company, a return of assets or capital whether on a liquidation, winding up or capital reduction or otherwise except upon the redemption of any Shares of any class or the purchase by the Company of its own Shares.

Return of Capital Balance: has the meaning given in Article 3.3.

RMC: means the value given for the costs of “recycled materials” under the “cost of sales” column in the annual audited accounts of the Company for the year ended on 30th September 2020.

Sale: means the sale of Shares (which must include Ordinary Shares) to a bona fide arm’s length purchaser (such purchaser not being an Original Shareholder or a Family Member of an Original Shareholder).

Second Hurdle Amount: means

- (a) in the case of a Sale of the entire issued share capital of the Company, the Exit Value being equivalent to the sum calculated by multiplying the RMC by 26.47; or
- (b) in the case of a Sale which is a Partial Sale an amount such that based on the price per share of such Partial Sale, the Exit Value on a Sale of the entire issued share capital of

the Company would be equivalent to the sum calculated by multiplying the RMC by 26.47; or

- (c) in the case of a Return of Capital, the Return of Capital Balance being equivalent to the sum calculated by multiplying the RMC by 26.47.

Second Hurdle Excess: means the amount by which the Exit Value or Return of Capital Balance (whichever is relevant) exceeds the Second Hurdle Amount subject to a maximum amount calculated by the formula: (Third Hurdle Amount LESS the Second Hurdle Amount).

Shareholder: any holder of Shares from time to time.

Selling Member: means a member selling Ordinary Shares A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and/or Growth Shares in a Sale, including, as the case may be, any who accept a Tag Along Offer (Article 9 (Tag Along)) and any Called Shareholders who are required to transfer their Called Shares in accordance with the provisions of Article 10 (Drag Along) (as the case may be).

Shares: collectively, the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares, C Ordinary Shares and the Growth Shares.

Tag Along Offer: has the meaning given in article 9.1.

Third Hurdle Amount: means

- (a) in the case of a Sale of the entire issued share capital of the Company, the Exit Value being equivalent to the sum calculated by multiplying the RMC by 42.35; or
- (b) in the case of a Sale which is a Partial Sale an amount such that based on the price per share of such Partial Sale, the Exit Value on a Sale of the entire issued share capital of the Company would be equivalent to the sum derived by multiplying the RMC by 42.35; or
- (c) in the case of a Return of Capital, the Return of Capital Balance being equivalent to the sum calculated by multiplying the RMC by 42.35.

Third Hurdle Excess: means the amount by which the Exit Value or Return of Capital Balance (whichever is relevant) exceeds the Third Hurdle Amount.

1.2 In these articles:

- 1.2.1 references to any statute or statutory provision include, unless inconsistent with the context, a reference to that statute or statutory provision as modified, re-

enacted or consolidated and in force from time to time, whether before or after the date of these articles;

- 1.2.2 where the word address appears in these articles it is deemed to include postal address and, where applicable, electronic address (being any address or number used for the purposes of sending or receiving documents or information by electronic means);
- 1.2.3 references to a person include any individual, firm, body corporate, unincorporated association or partnership;
- 1.2.4 references to the plural will include the singular and vice-versa;
- 1.2.5 headings are for convenience only and do not affect the construction or interpretation of these articles;
- 1.2.6 the Model Articles shall apply to the Company, except insofar as they are modified or excluded by these articles;
- 1.2.7 save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meaning in these articles subject to which and unless the context otherwise requires, words and expressions which have a particular meaning in the Act shall have the same meaning in the Articles; and

2. Share capital

The issued share capital of the Company at the date of adoption of these articles is divided into Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Growth Shares. Except as provided these Articles, each class of Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

3. Dividends, Capital and Voting

Dividends

- 3.1 The Company may by ordinary resolution declare dividends in respect of the Ordinary Shares and/or the A Ordinary Shares and/or the B Ordinary Shares and/or the C Ordinary Shares. Model articles 30 and 34 shall be construed accordingly. The Directors shall ensure that any dividends that the Company so determines are distributed to the holders of the Ordinary Shares and/or the A Ordinary Shares and/or the B Ordinary Shares and/or the C Ordinary Shares as the case may be.

3.2 The holders of the Growth Shares shall have no entitlement to a dividend.

Return of Capital

3.3 On any Return of Capital, whether by way of liquidation, winding up or otherwise, the assets of the Company remaining after the payment of its liabilities ("**Return of Capital Balance**") shall be applied (to the extent that the Company is lawfully able to do so) as follows: -

3.3.1 Where the Return of Capital Balance is less than or equal to the First Hurdle Amount, in paying such sum to Shareholders as follows:

- (a) first, in paying a sum equal to any arrears and accruals of dividend in respect of the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares calculated down to (and including) the date of the Return of Capital; and
- (b) second, in paying to the holders of the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the Growth Shares in respect of each such Share held, the Growth Share Issue Price and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the Growth Shares in the proportion that their holding of such shares bears to the aggregate number of such shares in issue, as if they all constituted shares of the same class;
- (c) third in paying any sum remaining to the holders of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares in the proportion that their holding of such shares bears to the aggregate number of such shares as if such shares all constitute shares of the same class.

3.3.2 Where the Return of Capital Balance is greater than the First Hurdle Amount but less than or equal to the Second Hurdle Amount, in paying the Return of Capital Balance to Shareholders as follows:

- (a) first, sums up to and including the First Hurdle Amount, shall be paid in accordance with Article 3.3.1; then
- (b) second, in respect of the First Hurdle Excess:-
 - (i) a holder of Growth Shares shall be entitled to 0.0025% of the First Hurdle Excess in respect of each Growth Share held; and

- (ii) a holder of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be entitled to the First Hurdle Excess not otherwise distributed under Article 3.3.2 (b) (i) in the proportion that their holding of such shares bears to the aggregate number of such shares and as if they all constitute shares of the same class.

3.3.3 Where the Return of Capital Balance is greater than the Second Hurdle Amount but less than or equal to the Third Hurdle Amount, in paying the Return of Capital Balance to Shareholders as follows:

- (a) first, sums up to and including the First Hurdle Amount, shall be paid in accordance with Article 3.3.1; then
- (b) second, the First Hurdle Excess shall be paid in accordance with Article 3.3.2(b); then
- (c) third, in respect of the Second Hurdle Excess:-
 - (i) a holder of Growth Shares shall be entitled to 0.0050% of the Second Hurdle Excess in respect of each Growth Share held; and
 - (ii) a holder of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be entitled to the Second Hurdle Excess not otherwise distributed under Article 3.3.3 (c) (i) in the proportion that their holding of such shares bears to the aggregate number of such shares and as if they all constitute shares of the same class.

3.3.4 Where the Return of Capital Balance is greater than the Third Hurdle Amount, in paying the Return of Capital Balance to Shareholders as follows:

- (a) first, sums up and including the First Hurdle Amount, shall be paid in accordance with Article 3.3.1; then
- (b) second, the First Hurdle Excess shall be paid in accordance with Article 3.3.2(b); then
- (c) third, the Second Hurdle Excess shall be paid in accordance with Article 3.3.3(c); then
- (d) fourth, in respect of the Third Hurdle Excess:-

- (i) a holder of Growth Shares shall be entitled to 0.0075% of the Third Hurdle Excess in respect of each Growth Share held; and
- (ii) a holder of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be entitled to the Third Hurdle Excess not otherwise distributed under Article 3.3.4(d)(i) in the proportion that their holdings of such shares bears to the aggregate number of such shares, as if they all constitute shares of the same class.

Voting

- 3.4 The holders of the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall have the right to receive notice of, attend, speak, vote and be counted towards a quorum on any resolution concerning any business or assets of the Company, whether at a general meeting or otherwise, and to vote on any written resolution.
- 3.5 The Growth Shares shall not confer on their holders any rights to receive notice of or to be present and speak and/or vote or be counted towards any quorum on any resolution at any general meeting of the Company or to receive and vote in respect of any written resolution of shareholders of the Company.

Sale

- 3.6 Upon any Sale (including any Partial Sale), each Selling Member shall share in the Exit Value and agrees that as a condition to each of them selling his/her Shares in that Sale, the Company and the Selling Members shall procure that each Selling Member shall receive the amount per Share which he would receive as if the Exit Value were treated as follows: -
 - 3.6.1 Where the Exit Value is less than or equal to the First Hurdle Amount, paying such sum to Shareholders as follows:
 - (a) first, in paying a sum equal to any arrears and accruals of dividend in respect of the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares sold, calculated down to (and including) the date of the Sale; and
 - (b) second, in paying to the holders of the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the Growth Shares in respect of each such Share sold, the Growth Share Issue Price and, if there is a shortfall to satisfy such payments in full, the proceeds shall be distributed to the holders of the Ordinary Shares, the A Ordinary Shares, the B Ordinary

Shares, the C Ordinary Shares and the Growth Shares in the proportion that the aggregate nominal value of the Shares they have sold bears to the aggregate nominal value of all such Shares sold, as if they all constituted shares of the same class;

- (c) third in paying any sum remaining to the holders of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares in the proportion which the number of Shares that each holder has sold bears to the aggregate number of all Shares sold in that Sale, as if such Shares all constitute shares of the same class.

3.6.2 Where the Exit Value is greater than the First Hurdle Amount but less than or equal to the Second Hurdle Amount, in paying the Exit Value to Shareholders as follows:

- (a) first, sums up to and including the First Hurdle Amount, shall be paid in accordance with Article 3.6.1; then
- (b) second, in respect of the First Hurdle Excess:-
 - (i) a holder of Growth Shares shall be entitled to 0.0025% of the First Hurdle Excess in respect of each Growth Share sold; and
 - (ii) a holder of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be entitled to the First Hurdle Excess not otherwise distributed under Article 3.6.2 (b)(i) in the proportion which the number of Shares that each holder has sold bears to the aggregate number of all Shares sold in that Sale, as if such Shares all constitute shares of the same class.

3.6.3 Where the Exit Value is greater than the Second Hurdle Amount but less than or equal to the Third Hurdle Amount, in paying the Exit Value to Shareholders as follows:

- (a) first, sums up to and including the First Hurdle Amount, shall be paid in accordance with Article 3.6.1; then
- (b) second, the First Hurdle Excess shall be paid in accordance with Article 3.6.2(b); then
- (c) third, in respect of the Second Hurdle Excess:-
 - (i) a holder of Growth Shares shall be entitled to 0.0050% of the Second

Hurdle Excess in respect of each Growth Share sold; and

- (ii) a holder of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be entitled to the Second Hurdle Excess not otherwise distributed under Article 3.6.3 (c) (i) in the proportion which the number of Shares that each holder has sold bears to the aggregate number of all Shares sold in that Sale, as if such Shares all constitute shares of the same class.

3.6.4 Where the Exit Value is greater than the Third Hurdle Amount, in paying the Exit Value to Shareholders as follows:

- (a) first, sums up to and including the First Hurdle Amount, shall paid in accordance with Article 3.6.1; then
- (b) second, the First Hurdle Excess shall be paid in accordance with Article 3.6.2(b); then
- (c) third, the Second Hurdle Excess shall be paid in accordance with Article 3.6.3(c); then
- (d) fourth, in respect of the Third Hurdle Excess:-
 - (i) a holder of Growth Shares shall be entitled to 0.0075% of the Third Hurdle Excess in respect of each Growth Share sold; and
 - (ii) a holder of Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be entitled to the Third Hurdle Excess not otherwise distributed under Article 3.6.4 (d)(i) in the proportion which the number of Shares that each holder has sold bears to the aggregate number of all Shares sold in that Sale, as if such Shares all constitute shares of the same class.

3.7 To give effect to Article 3.6 each Selling Member hereby appoints the Company as its duly authorised agent to:

- 3.7.1 collect and receive all the consideration referred to in the definition of Exit Value due to that Selling Member on that Selling Member's behalf;
- 3.7.2 acknowledge receipt of payment of such consideration and to hold such consideration on trust for the Selling Members; and

- 3.7.3 distribute such consideration to the Selling Members in the proper amounts as described in the Articles 3.3 and 3.6.
- 3.8 Where and to the extent that any Shareholder for any reason receives more than his/her entitlement to any Return of Capital Balance described in Article 3.3 or any Exit Value described in Article 3.6, that Shareholder must forthwith pay the balance to the Company, which shall hold the relevant amount on trust for the Shareholders and shall redistribute them in accordance with Article 3.3 or Article 3.6 to 3.8 (inclusive) as appropriate.
- 3.9 The Directors shall refuse to register any transfer of Shares upon a Sale where the provisions of articles 3.6 to 3.8 (inclusive) have not been complied with in full.

4. Allotment of Shares

- 4.1 Subject to article 4.5, the Directors shall not allot any new Ordinary Shares (**New Shares**) unless notice in writing is given to each holder of Ordinary Shares specifying:
 - 4.1.1 the maximum number of New Shares that it is proposed to allot;
 - 4.1.2 the price to be paid for each New Share (**Subscription Price**); and
 - 4.1.3 any other material terms or conditions of the proposed allotment.

The notice shall invite each holder of Ordinary Shares to notify the Company in writing within 10 Business Days from the date of such notice how many New Shares he wishes to subscribe for at the Subscription Price.

- 4.2 Each holder of Ordinary Shares:
 - 4.2.1 shall be entitled to subscribe for the same proportion of New Shares that his Shares bear to the aggregate number of Ordinary Shares held by all holders of Ordinary Shares (or as near as possible thereto avoiding fractions) (**Proportionate Entitlement** in this article 4.2); and
 - 4.2.2 may indicate that he wishes to subscribe for New Shares in excess of his Proportionate Entitlement (**Additional Shares** in this article 4.2) and, if so, the holder of Ordinary Shares shall state how many Additional Shares he is willing to subscribe for at the Subscription Price.
- 4.3 Within 5 Business Days of the expiry of the period referred to in article 4.1, the Board shall allocate the New Shares as follows:
 - 4.3.1 if the total number of New Shares applied for is less than or equal to the number of

New Shares available, the Board will allocate the number of New Shares applied for in accordance with the applications; or

4.3.2 if the total number of New Shares applied for is greater than the number of New Shares available, the Board will:

(a) first allocate to each applicant his Proportionate Entitlement or such lesser number of New Shares for which he applied; and

(b) then allocate any remaining New Shares among applicants for Additional Shares in the same proportion as the number of Additional Shares for which each applicant has applied bears to the aggregate number of Additional Shares (or as near as possible thereto avoiding fractions) provided that no applicant shall be required to subscribe for more Additional Shares than he indicated he is willing to take.

4.4 All statutory rights of pre-emption under sections 561 and 562 of the Act are excluded from applying to the Company in accordance with section 567 of the Act.

4.5 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint section 431 ITEPA election with the Company.

5. Transfer of Shares: general

5.1 Subject to articles 5.2 and 5.3, no transfer of any Share shall be made or registered unless such transfer:

5.1.1 complies with the provisions of these articles; and

5.1.2 has been approved by the Directors, unless any provision of these articles expressly provides that the Directors shall register the transfer in question.

5.2 Other than in respect of a Permitted Transfer in accordance with article 6 below, no holder of Ordinary Shares shall be entitled to transfer any Shares without the prior written consent of such of the Original Shareholders who hold no less than 70% of all the Shares held by Original Shareholders, who may set any conditions they so decide on such transfer.

5.3 No holder of Growth Shares shall be entitled to transfer any Growth Shares other than as set out in Articles 7, 9 and 10.

5.4 Other than in respect of a Permitted Transfer in accordance with article 6 below, no holder of A Ordinary Shares, B Ordinary Shares or C Ordinary Shares shall be entitled to transfer any Shares without the prior written consent of such of the Original Shareholders who hold no less

than 70% of all the Shares held by Original Shareholders, who may set any conditions they so decide on such transfer.

- 5.5 On a Sale, no holder of Ordinary Shares shall transfer or be entitled to transfer any Ordinary Shares unless, in the same Sale, the holders of each other class of Share shall transfer such number of all the Shares of each class that they hold which equates to the same proportion as the aggregate number of Ordinary Shares to be transferred bears to the aggregate number of Ordinary Shares in issue (rounded down in case of fractional shares).
- 5.6 No transfers of any Share shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person who is Incapable.

6. Permitted Transfers

- 6.1 The transfers set out in this article 6 (**Permitted Transfers**) shall be permitted without restriction as to price or otherwise and shall be registered by the Board.

Permitted Transfers by body corporate

- 6.2 A Shareholder that is a body corporate may transfer any of its Shares to any of its subsidiary undertakings or holding companies (as defined in the Act) (**Related Company**) provided that if the transferee ceases to be a Related Company then it shall, if requested by the Board, promptly and in any case within 28 days of such a request transfer all such Shares back to the transferor (or a subsidiary undertaking or holding company or the transferor).

Permitted Transfers by a Family Trust

- 6.3 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 6.3.1 the Original Shareholder;
 - 6.3.2 any Family Member(s) of the Original Shareholder;
 - 6.3.3 subject to article 6.4, the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or
 - 6.3.4 subject to article 6.4, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 6.4 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board is

satisfied:

- 6.4.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- 6.4.2 with the identity of the proposed trustee(s);
- 6.4.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- 6.4.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

Permitted Transfers by individuals

- 6.5 A holder of Ordinary Shares, A Ordinary Shares, B Ordinary Shares and C Ordinary Shares who is an individual may transfer any of his Shares (without restriction as to price or otherwise) to:
 - 6.5.1 to a Family Member of that Shareholder provided that if the Family Member ceases to be a Family Member they shall, within 15 Business Days of so ceasing, transfer the shares held by them to the Original Shareholders;
 - 6.5.2 a personal pension fund of which they or a Family Member are the sole beneficiary;
 - 6.5.3 a body corporate which he Controls provided that if he ceases to Control that body corporate, the body corporate shall, if requested by the Board, promptly and in any case within 28 days of such request transfer all such Shares back to the transferor (or a Family Member of the transferor).

7. Compulsory Transfers

- 7.1 A “**Transfer Event**” means in respect of each Growth Shareholder:
 - 7.1.1 where the Growth Shareholder is an individual, he is sequestered, enters into a trust deed for creditors or similar voluntary arrangement;
 - 7.1.2 a Growth Shareholder becoming a Leaver; or
 - 7.1.3 a Growth Shareholder attempting to deal with or dispose of any Share or any interest in it or purporting to make a transfer otherwise than in accordance with these Articles.

Upon the happening of any Transfer Event, the Growth Shareholder in question shall be deemed to have immediately given a Transfer Notice in respect of all the Growth Shares then held by them (a “**Deemed Transfer Notice**”). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Growth Shares.

7.2 The Growth Shares the subject of any Deemed Transfer Notice shall either, (i) be offered for sale to the Original Shareholders in the proportion which the Ordinary Shares they hold has to the aggregate number of Ordinary Shares held by the three of them or (ii) the Company will purchase all the Growth Shares held by the Leaver subject in both cases to the following:

7.2.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date upon which the Board becomes aware that the relevant event is a Transfer Event and has notified the Company that the relevant event is a Transfer Event;

7.2.2 the Sale Price shall be the Growth Share Issue Price per Growth Share;

7.2.3 the Growth Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.

7.3 The Growth Shareholder subject to the Deemed Transfer Notice shall be bound, on payment of the aggregate Growth Share Issue Price for his entire holding of Growth Shares, shall transfer the Growth Shares pursuant to the Article 7 free from any lien, charge or encumbrance. If the Growth Shareholder makes default in so doing, any Director shall forthwith be deemed to be the duly appointed attorney of such Growth Shareholder with full power to execute, complete and deliver a transfer of the relevant Growth Shares and any Director may receive and give a good discharge for the purchase money on behalf of the Growth Shareholder and (subject to the transfer being duly stamped) enter the name of the transferee in the register of members (or cancel such shares if purchased by the Company). The Board shall forthwith use the aggregate Growth Share Issue Price received to repay (in full or in part) any loan owed to the Company by the relevant Growth Shareholder.

8. Death or Incapability of a Shareholder

8.1 This Article 8 does not apply to holders of Growth Shares.

8.2 In the event of the death of a Shareholder, or a Shareholder becoming Incapable (and it is likely that the incapacity will be permanent or prolonged in nature rather than temporary) (“**the deceased or Incapable Shareholder**”) neither the trustees or executors nor the representatives of the deceased or Incapable Shareholder nor anyone claiming by or through any of them (all collectively referred to as “**the Representatives**”) shall have as against the remaining Shareholders any right to be admitted as a Shareholder in the Company.

8.3 In such event, the deceased or Incapable Shareholder’s Shares shall pass to or for the benefit

of such one or more of the deceased or Incapable Shareholder's Family Members, such companies or trusts of which any of the deceased or Incapable Shareholder's Family Members may benefit and in such proportions as the deceased or Incapable Shareholder shall by inter vivos or testamentary writing nominate.

- 8.4 Notwithstanding the terms of this Article 8, in the event of a Shareholder becoming Incapable, whether permanently or temporarily, the powers granted to any attorney appointed under a valid continuing power of attorney shall be binding on the Directors and the Company, who shall do, execute and perform all such further agreements, documents, assurances, acts and things as any of them or such attorneys require to give full force and effect to such continuing power of attorney.

9. Tag along

- 9.1 If one or more Shareholders (**Sellers** in this article) propose to transfer any Shares to an arm's length purchaser (**Buyer**) in a series of one or more related transactions which would result in the Buyer (together with persons acting in concert or connected with the Buyer) obtaining a Controlling Interest then, before the Directors may register any such transfer of Shares, the Sellers must procure that the Buyer makes an unconditional offer to all other Shareholders except any Leaver or Growth Shareholder who is the subject of a Transfer Event (a **Tag Along Offer**):

9.1.1 offering to purchase all of their Shares at the Tag Along Price (as defined in article 9.2.4); and

9.1.2 which is open for acceptance for 15 Business Days the date on which the Tag Along Offer is given.

- 9.2 The Tag Along Notice shall specify:

9.2.1 the identity of the Sellers and the Buyer;

9.2.2 the number of Shares to be purchased from the recipient, being all of the Shares registered in the recipient's name;

9.2.3 the date proposed for completion of the purchase of the Shares (**Tag Completion Date**), being the same time as completion of the purchase of the Sellers' Shares will take place;

9.2.4 the price offered for each Ordinary Share, A Ordinary Share, B Ordinary Share and C Ordinary Share (**Tag Along Price**), being the highest price proposed to be paid by the Buyer (or any person acting in concert or connected with the Buyer) for the Sellers' Shares taking into account the distribution of payment Exit Value pursuant

to Article 3.6 and including the calculation of any element not payable in cash and any other terms of payment, being the same as those offered for each of the Sellers' Shares;

9.2.5 the price per Growth Share which the Buyer is proposing to pay which shall be calculated taking into account the distribution of payment Exit Value pursuant to Article 3.6 and including the calculation of any element not payable in cash and any other terms of payment, being the same as those offered for each of the Growth Shareholder's Growth Shares.

9.2.6 that acceptances of the Tag Along Offer may be given by notice in writing to the Company at its registered office address within 15 Business Days of the date on which the Tag Along Offer is given (**Offer Period** in this article).

9.3 The Tag Along Offer shall be given by written notice at least 30 Business Days before the Tag Completion Date.

9.4 The recipient of a Tag Along Offer may accept it by giving notice in writing to the Company within the Offer Period. In the absence of such notice, the recipient will be deemed to have rejected the Tag Along Offer.

9.5 If:

9.5.1 a proposed transfer requires the Sellers to procure a Tag Along Offer in accordance with article 9.1 but the Sellers are unable to do so; or

9.5.2 the Buyer defaults in the Tag Along Offer,

the Sellers shall not be entitled to complete the proposed transfer and the Board shall refuse to register it.

9.6 If the Tag Along Offer is accepted by one of more Shareholders, the transfer of the Sellers' Shares will be conditional on the purchase of all of the Shares held by such Shareholders taking place at the same time as the Sellers' Shares.

10. Drag along

10.1 Notwithstanding the provisions of any other Article, in the event of a Sale or a Partial Sale to a bona fide, arm's length purchaser where the Exit Value would not be less than a sum equivalent to the PMC multiplied by 50.03 then Mark Williams shall be entitled to require all other Shareholders (and any persons who would become Shareholders upon exercise of any options or other rights to subscribe for Shares which exist at that time) (**Called Shareholders**

as set out in Article 10.2) to sell and transfer such number of Shares of each class that they hold on the same basis as is set out in Articles 10.2 to 10.6 mutatis mutandis with Mark Williams being deemed to be the Sellers.

10.2 Subject to Article 10.1, in the event of a Sale or Partial Sale, if the holders of at least 70% of the Ordinary Shares by number (**Sellers** in this article), wish to transfer any of their Ordinary Shares to a bona fide, arm's length purchaser (**Buyer**), the Sellers shall be entitled to require all other Shareholders (and any persons who would become Shareholders upon exercise of any options or other rights to subscribe for Shares which exist at that time) (**Called Shareholders**) to sell and transfer such number of Shares of each class that they hold which equate to the same proportion as the aggregate number of Ordinary Shares to be transferred bears to the aggregate number of Ordinary Shares in issue to the Buyer (or the Buyer's nominee) by giving notice to that effect (a **Drag Along Notice**) to the Called Shareholders.

10.3 The Drag Along Notice shall specify:

10.3.1 the identity of the Sellers and the Buyer;

10.3.2 that the Called Shareholder is required to transfer such number of Shares of each class that they hold which equate to the same proportion as the aggregate number of Ordinary Shares to be transferred bears to the aggregate number of Ordinary Shares in issue, to the Buyer or the Buyer's nominee as case may be free from all liens, charges and encumbrances;

10.3.3 the number of Shares to be purchased from the Called Shareholder, being such number of Shares of each class that they hold which equate to the same proportion as the aggregate number of Ordinary Shares to be transferred bears to the aggregate number of Ordinary Shares in issue, registered in the Called Shareholder's name;

10.3.4 the date proposed for completion of the purchase of the Shares (**Drag Completion Date**), being the same date and time as completion of the purchase of the Sellers' Shares will take place (unless the Called Shareholder agrees otherwise in writing; and

10.3.5 the price offered for each Share (**Drag Along Price**) which must be:

(a) the highest price to be paid by the Buyer (or any person acting in concert or connected with the Buyer) for each Ordinary Share, A Ordinary Share, B Ordinary Share and C Ordinary Share taking into account the distribution of payment proceeds pursuant to Article 3.6 and including the calculation of any element not payable in cash and other terms of payment; and

- (b) the price per Growth Share which the Buyer is proposing to pay which shall be calculated taking into account of the distribution of payment proceeds pursuant to Article 3.6 and including the calculation of any element not payable in cash and any other terms of payment, being the same as those offered for each of the Growth Shareholder's Growth Shares.
- 10.4 A Drag Along Notice shall be irrevocable but shall lapse if, for any reason, the Sellers have not sold all of their Shares to the Buyer (or the Buyer's nominee) within 20 Business Days of serving that Drag Along Notice.
- 10.5 The Called Shareholders shall be bound, on payment of the total Drag Along Price for their Shares, to transfer their Shares to the Buyer (or the Buyer's nominee) in accordance with the Drag Along Notice on the Drag Completion Date free from any lien, charge or encumbrance.
- 10.6 If any Called Shareholder defaults in transferring his Shares in accordance with article 10.5:
 - 10.6.1 any Director shall be deemed to be the duly appointed attorney of the Called Shareholder with full power to execute, complete and deliver a stock transfer form to transfer the relevant Shares to the Buyer (or the Buyer's nominee);
 - 10.6.2 the Company may receive and give a good discharge for the price for the relevant Shares on behalf of the Called Shareholder; and
 - 10.6.3 subject only to the stock transfer form being stamped (if applicable), the Directors shall register the transfer and enter the name of the Buyer (or the Buyer's nominee) in the register of members as the holder of the relevant Shares.
- The Company shall hold any amount paid to it under this article on trust, but without interest, for the Called Shareholder until such time as the Called Shareholder delivers to the Company his share certificate for the Shares or an indemnity in respect of a lost or destroyed share certificate for the Shares in a form acceptable to the Board.
- 10.7 Upon any persons, following the issue of a notice pursuant to article 9.1, 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 on the Drag Completion Date and if any shares vest pursuant to a pre-existing option after that date then the date on which they vest shall be deemed to be the Drag Completion Date for such shares.

11. Purchase of Own Shares

Subject to the Act (but without prejudice to any other provisions of these Articles), the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to an amount in a financial year not exceeding the limit for the time being set out in section 692(1)(b) of the Act.

12. General Meetings

12.1 No business shall be transacted at any general meeting unless a quorum of Shareholders is present. Shareholders holding more than 50% (by nominal value) of the Shares held by the Shareholders present in person, by proxy or by duly authorised corporate representative (as applicable) shall be the quorum at any general meeting.

12.2 A notice convening a general meeting (other than an adjourned general meeting) must be called by at least 14 days' notice but a general meeting can be called by shorter notice if so agreed by the Shareholders in accordance with the Act. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting and shall be given in accordance with the Act.

13. Appointment and removal of Directors

13.1 Any Director shall only be appointed in accordance with the terms of these articles and any relevant agreement. Model Article 17.1 shall be modified accordingly.

13.2 A Director shall vacate office in any of the circumstances listed in Model Article 18.

13.3 In the case of a Director, he shall vacate office if:

13.3.1 having been an employee of the Company, he ceases to be employed or engaged by the Company or any Group Company;

13.3.2 he shall on more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the remaining Directors resolve that his office be vacated.

14. Alternate Directors

No Director shall have the right to appoint alternate Director.

15. Board meetings

15.1 The quorum for meetings of the Board shall be two Directors unless all of the Directors notify the other Directors (including by email for the purpose of this article) that they are satisfied

the Board meeting will be quorate without them. Model article 11.2 shall be modified accordingly.

- 15.2 The Board shall be entitled from time to time to appoint a Chairman of the Board (and any committee of the Board) and remove from office any such person so appointed and to appoint another Director in his place. Model Articles 12.1 to 12.3 shall be modified accordingly. The Chairman shall not have a second or casting vote.

16. Conflicts of interest

- 16.1 The Directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest which shall include, without limitation, conflicts of interest and duty and conflicts of duty (**Conflict**).

- 16.2 Any authorisation under this article will be effective only if:

16.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors 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;

16.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and

16.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

- 16.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

16.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and

16.3.3 be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

- 16.4 In authorising a Conflict, the Directors may decide (whether at the time of giving the

authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

16.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or

16.4.2 use or apply any such information in performing his duties as a Director;

where to do so would amount to a breach of that confidence.

16.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

16.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;

16.5.2 is not given any documents or other information relating to the Conflict; and

16.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

16.6 Where the Directors authorise a Conflict:

16.6.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and

16.6.2 the Director will not, by virtue of the Conflict, infringe any duty he owes to the Company pursuant to sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

16.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

17. Transactions or other arrangements with the Company

17.1 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:

- 17.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 17.1.2 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;
- 17.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
- 17.1.4 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;
- 17.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 17.1.6 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.

18. Notices

- 18.1 Any notice or other communication in connection with this agreement will be in writing and may be:
 - 18.1.1 delivered by hand or by courier; or
 - 18.1.2 sent by pre-paid post (or by airmail if overseas),
- 18.2 to the address of such party given in this agreement and marked for the attention of the

recipient (or such other address which the recipient has notified in writing to the sender in accordance with this article 18.1).

18.3 Notices may not be sent by email except as expressly provided in this agreement.

18.4 The notice or communication will be deemed to have been duly served:

18.4.1 if delivered by hand or by courier, at the time of delivery;

18.4.2 if sent by first class post, two Business Days after being posted;

18.4.3 if sent by second class post, three Business Days after being posted; and

18.4.4 if sent by airmail, six Business Days after being posted.

19. Directors' Indemnity

19.1 Subject to the provisions of the Act (but so that this Article 19.1 does not extend to any matter insofar as it would cause this Article or any part of it to be void thereunder), the Company:

19.1.1 shall, without prejudice to any indemnity to which the person concerned may otherwise be entitled, indemnify any director or other officer (other than an auditor) of the Company and any associated company against all losses and liabilities incurred by him in the actual or purported execution, or discharge, of his duties in relation to:

- a) the Company;
- b) any associated company; and
- c) any occupational pension scheme of which the Company or any associated company is a trustee

including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings (whether civil or criminal) in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company, any associated company or any occupational pension scheme of which the Company or any associated company is a trustee; and

19.1.2 may, without prejudice to the provisions of Article 19.1.1, purchase and maintain insurance for any person who is or was a director or officer of the company or any associated company against any loss or liability which he may incur, whether in

connection with any proven or alleged negligence, default, breach of duty or breach of trust or otherwise in relation to the Company, any associated company, any employees' share scheme of the Company or of any associated company or any occupational pension scheme of which the Company or any associated company is a trustee where for the purposes of this Article 19.1, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

19.2 Paragraphs 52 and 53 of the Model Articles shall not apply to the Company.