

**DATED**

**28 April 2022**

**CNC GROUP HOLDINGS LIMITED**  
**(company number 04776218)**

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**ARTICLES OF ASSOCIATION**

**adopted on**

**28 April 2022**

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Company number: 04776218

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION OF**

**CNC GROUP HOLDINGS LIMITED**

(adopted by special resolution passed on

**28 April 2022)**

**1. DEFINITIONS AND INTERPRETATION**

**1.1** In these Articles the following definitions will apply:

**A Ordinary Shares**

A ordinary shares of £1.00 in the capital of the Company having the rights and restrictions set out in these Articles;

**Accounting Period**

an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;

**Act**

the Companies Act 2006;

**Adoption Date**

the date of the adoption of these Articles by the Company;

**Arrears**

in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend, together with all interest and other amounts payable on such amounts;

**B Ordinary Shares**

B ordinary shares of £1.00 in the capital of the Company having the rights and restrictions set out in these Articles;

**Business Day**

any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for normal business;

**C Ordinary Shares**

C ordinary shares of £1.00 in the capital of the Company having the rights and restrictions set out in these Articles;

**Director**

a duly appointed director of the Company for the time being;

**Equity Shares**

the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in issue from time to time (including all Shares in issue which are derived from any of them, whether by conversion, consolidation or sub-division or by way of capitalisation, rights or bonus issue or otherwise);

**Group**

the Company and its subsidiaries from time to time and references to a Group Company shall be construed accordingly;

**Issue Price**

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

**Listing**

any of the following:

- (a) the admission by the UKLA of all or any of the share capital of the Company, or the Group, to the Official List of the London Stock Exchange becoming effective and the admission of such shares to trading on the main market for listed securities of the London Stock Exchange becoming effective;
- (b) the admission of all or any of the share capital of the Company, or the Group, to AIM becoming effective in accordance with rule 6 of the AIM Rules for companies published by the London Stock Exchange from time to time; or
- (c) any equivalent admission to, or permission to deal on, any Recognised Investment Exchange becoming unconditionally effective in relation to all or any of the share capital of the Company or the Group;

**London Stock Exchange**

London Stock Exchange plc;

**Member**

a registered holder of an issued Share from time to time, as recorded in the register of members of the Company;

**Model Articles**

the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;

**Preference Dividend**

the cumulative fixed dividend payable on the Preference Shares in accordance with article 2;

**Preference Share**

a cumulative redeemable preference share of £1 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

**Realisation**

a Share Sale or a Listing;

**Recognised Investment Exchange**

has the meaning given in section 285(1) Financial Services and Markets Act 2000;

**Redemption Date**

a date on which a Preference Share is due for redemption in accordance with article 4;

**Shares**

any shares of any class in the capital of the Company; and

- 1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.
- 1.3 In these Articles a reference to:
  - 1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;

- 1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);
- 1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- 1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form;
- 1.3.5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
- 1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 All consents or approvals to be given by a Member in respect of any provision of these Articles must be given in writing.
- 1.5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each Member.
- 2. **DIVIDENDS**
- 2.1 The Company shall, in priority to the payment of any dividend to all other Members, pay to the holders of the Preference Shares a fixed cumulative preferential dividend at the rate of 5% per annum on the Issue Price for such Preference Shares.
- 2.2 The Preference Dividend:
  - 2.2.1 shall accrue on a daily basis from and including the date of issue of the Preference Shares down to and including the relevant date of payment of the Preference Dividend;
  - 2.2.2 will be paid in cash;
  - 2.2.3 is fixed and shall be paid quarterly in arrears on 1 August, 1 November, 1 February and 1 May in each year (**Due Dates**) and on a Realisation, provided that the first payment of such dividend shall be on 1 August 2017 in respect of the period from the date of the issue of such Preference Shares to that date;
  - 2.2.4 shall be distributed amongst the holders of the Preference Shares pro rata according to the number of Preference Shares held by each of them respectively; and
  - 2.2.5 is cumulative and shall (notwithstanding any provisions of these Articles and, in particular, notwithstanding that there has not been a recommendation of the

Directors or resolution of the Company in general meeting) be automatically declared and paid immediately on the relevant Due Dates. If any Preference Dividend is not paid on the relevant Due Dates, the amount of such dividend, shall be a debt due and payable by the Company with effect from the relevant Due Dates or, if such debt cannot lawfully arise on that date, as soon after that date as such debt can lawfully arise.

- 2.3 Where the Company fails to pay any Preference Dividend within 10 Business Days of the relevant Due Dates for such dividend then the whole amount of such unpaid Preference Dividend shall, with effect from the relevant Due Dates, be increased by 4% per annum above the base rate of the Royal Bank of Scotland plc for the time being, such amount to accrue on a daily basis from the relevant Due Dates until the date of actual payment.
- 2.4 Where the Company is prohibited by the Act from paying any Preference Dividend in full on the relevant Due Dates, then:
- 2.4.1 the Company shall pay, on that date and on account of such Preference Dividend, the maximum sum (if any) which can then lawfully be paid by the Company; and
- 2.4.2 as soon as the Company is no longer precluded from doing so, the Company shall pay (on account of the outstanding balance as increased by article 2.3, in priority to the payment of any other dividend and until all Arrears have been paid in full) the maximum amount which can lawfully be paid by the Company from time to time.
- 2.5 Subject to the Preference Dividend, and any associated Arrears in respect of the current and all previous Accounting Periods, having been paid in full, any profits which the Company, on the recommendation of the Directors, determines to distribute in respect of any Accounting Period will be applied, on a non-cumulative basis, between the holders for the time being of the Equity Shares in such proportion to be determined at the sole discretion of the directors.
- 2.6 The Company shall procure that each of its subsidiaries for the time being which has profits available for distribution shall, from time to time and to the extent to which it may lawfully do so, declare and pay to the Company (or its immediate holding company, as the case may be) the dividends necessary to enable the prompt and lawful payment of the Preference Dividend and the payment of any sum due on the redemption of the Preference Shares in accordance with these Articles.

### 3. RETURN OF CAPITAL

- 3.1 On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares or redemption of shares made in accordance with the provisions of these Articles), any surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

Order	Class of Share	Amount
1	Preference Shares	The Issue Price together with all Arrears in respect of the Preference Shares
2	A Ordinary Shares	The Issue Price together with all Arrears in respect of the A Ordinary Shares
3	B Ordinary Shares	The Issue Price together with all Arrears in respect of the B Ordinary Shares
4	C Ordinary Shares	The Issue Price together with all Arrears in respect of the C Ordinary Shares
5	A Ordinary Shares, B Ordinary Shares, C	The balance (if any) of any surplus assets

Order	Class of Share	Amount
	Ordinary Shares (as if they constituted one class)	

- 3.2 Where the surplus assets available for distribution to any particular class of share in accordance with article 3.1 is less than the total amount specified to be distributed to that class in that article, the available assets shall be distributed amongst the holders of Shares of that class pro rata according to the number of Shares of the relevant class held by each of them respectively.

#### 4. REDEMPTION OF PREFERENCE SHARES

- 4.1 The Company may at any time following 4 years from the issue of such Preference Shares but no later than 12 years (**Long Stop Redemption Date**) from the issue of such Preference Shares redeem any of the Preference Shares. The Preference Shares shall be redeemed by the Company at any one time in minimum multiples of £35,000 upon giving not less than 10 Business Days' notice to the holders of the Preference Shares.

- 4.2 The Company shall pay on each Preference Share redeemed an amount equal to the Issue Price plus an additional amount equal to 10% of the Issue Price of such Preference Share together with any Arrears calculated down to and including the Redemption Date.

- 4.3 The holders of Preference Shares in issue after the Long Stop Redemption Date may give not less than 10 Business Days' notice requiring their Preference Shares to be redeemed in one or more tranches.

- 4.4 On redemption of Preference Shares in accordance with article 4.1:

- 4.4.1 the amount due to each holder of Preference Shares in accordance with articles 4.1 and 4.2 shall (to the extent that it does not already constitute the same) become a debt due and payable by the Company with effect from the relevant Redemption Date or, if such debt cannot lawfully arise on that date, as soon after that date as such debt can lawfully arise;
- 4.4.2 each registered holder of Preference Shares to be redeemed shall deliver to the Company at its registered office the share certificate(s) for such Preference Shares (or an indemnity for any missing certificate in a form reasonably acceptable to the Directors);
- 4.4.3 upon receipt of the relevant share certificate (or indemnity as the case may be) the Company shall pay to each registered holder of Preference Shares to be redeemed (or, in the case of joint holders, to the holder whose name stands first in the register of Members in respect of such Preference Shares) the amount due to him in respect of such redemption in accordance with articles 4.1, 4.2 and 4.3 and the receipt of such Member shall constitute an absolute discharge to the Company in respect of such amount;
- 4.4.4 the Company shall issue a new share certificate in respect of any unredeemed Preference Shares comprised in the certificate delivered to it; and
- 4.4.5 a redemption of some but not all of the Preference Shares shall be made amongst the holders of the Preference Shares pro rata to the number of Preference Shares held by each of them respectively (as nearly as may be without involving fractions and the allocation of any fractional entitlements which would otherwise arise shall be dealt with by the Directors in such manner as they see fit).

#### 5. VOTING

- 5.1 The holders of the Preference Shares shall be entitled to receive notice of, and to attend and speak at, any general meeting of the Company but shall not be entitled to vote at any such meeting or on a written resolution except as provided in this article 5.

**6. ISSUE OF SHARES**

- 6.1 Notwithstanding any other provision of these Articles, the maximum issued share capital of the Company shall be £176,932 divided into 175,000 Preference Shares, 650 A Ordinary Shares, 649 B Ordinary Shares and 633 C Ordinary Shares provided that the restriction in this article 6.1 shall not be breached as a result of any conversion or reclassification of Shares made in accordance with the provisions of these Articles.
- 6.2 Subject to article 6.3, or (subject as aforesaid) as authorised from time to time by ordinary resolution of the Members, the Directors shall not exercise any power to allot relevant securities.
- 6.3 The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act and generally to exercise any power of the Company to allot relevant securities. The authority granted under this article 6.3 shall:
- 6.3.1 be limited to a maximum amount in nominal value of £176,932;
  - 6.3.2 only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the holders of Equity Shares; and
  - 6.3.3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.