

DM

THE COMPANIES ACTS 1985-2006

PRIVATE COMPANY LIMITED BY SHARES



NEW ARTICLES OF ASSOCIATION

of

DM FLEXIBLES LTD (the "Company")

(company number 09769498)

(adopted by special resolution passed as a written resolution on 4/2/2021
2020)

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

2006 Act	means the Companies Act 2006 (as amended from time to time);
Acceptance Period	has the meaning given to it in Article 3.3;
Accepting Shareholder	has the meaning given to it in Article 7.5;
Acting in Concert	has the meaning given to it in The City Code on Takeovers and Mergers published by The Panel on Takeovers and Mergers (as amended from time to time) and the persons who hold shares in the capital of the Company at the Adoption Date are not deemed to be Acting in Concert;
Active Period	means, in respect of a Transfer Notice, the period from the time of its service until the time when none of the Shareholders has any further rights or duties, directly or indirectly, to that notice;
Adoption Date	the date of adoption of these Articles as set out at the beginning of these Articles;
Articles	means the Company's Articles of Association for the time being in force;
Authorised Person	has the meaning given to it in Article 6.5;
Business Day	means any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are open for business;
Buy Back Agreement	has the meaning given to it in Article 4.7;

Buyer	has the meaning given to it in Article 7.1;
Calling Shareholders	has the meaning given to it in Article 6.1;
Call Notice	has the meaning given to it in Article 6.1;
Conflict	has the meaning given to it in Article 10.1;
Controlling Interest	means an interest in shares giving to the holder or holders (and persons Acting in Concert with such person) Control;
Control	has the meaning given in section 1124 of the Corporation Tax Act 2010;
Daniel	Daniel McAllister, who at the Adoption Date is a Shareholder of the Company and an employee of the Company;
Dilip	Dilip Kumar Raja Mistry, who at the Adoption Date is a Shareholder of the Company and the sole director;
Eligible Director	means a director who would be entitled to vote on the matter and be counted in the quorum at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
Excluded Person	means a person who has given or is deemed to have given a Transfer Notice;
Experts	means an independent firm of accountants or other entity capable of acting as the Company's auditors / accountants (as applicable) but not being the Company's auditors / accountants (as applicable) and nominated by agreement between the Shareholders or failing such nomination within 14 days after a request by any Shareholder for such nomination, nominated by the President (or, if they are unavailable for any reason, the next most senior available officer) from time to time of the Institute of Chartered Accountants in England and Wales upon the application at any time of any Shareholder;
Family Relations	means in relation to Dilip or Daniel (as applicable): <p>(a) their spouse; and</p> <p>(b) their children and grandchildren,</p> each a Family Relation ;
Family Trust	means in relation to Dilip or Daniel (as applicable), any trust set up for the benefit of Dilip or Daniel (as applicable) and/or any of their Family Relations;
Interested Director	has the meaning given to it in Article 10.1;
Model Articles	means 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 date of adoption of these Articles;

New Shareholder	has the meaning given to it in Article 6.3;
New Shares	means shares in the capital of the Company or rights to subscribe for or to convert into such shares which in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;
Nominated Person	has the meaning given to it in Article 4.7;
Offer	has the meaning given to it in Article 7.2;
Offer Notice	has the meaning given to it in Article 7.3;
Offer Period	has the meaning given to it in Article 7.3;
Offer Price	has the meaning given to it in Article 4.4;
Offer Shares	has the meaning given to it in Article 7.3;
Ordinary Shares	means the ordinary shares of £0.10 each in the capital of the Company;
Permitted Transferee	means a person who holds shares in the capital of the Company pursuant to a Permitted Transfer;
Permitted Transfer	means a transfer of shares in the capital of the Company pursuant to Article 8.2;
Personal Company	means any company incorporated and registered in England and Wales where: <ul style="list-style-type: none"> (a) Dilip and/or his spouse are the only directors and shareholders; or (b) Dilip and/or his spouse are the only directors and Control the relevant company (whether directly or indirectly);
Purchaser	has the meaning given to it in Article 6.1;
Proceeds	means the consideration or value to which Shareholders or any of them is entitled to receive upon a Sale or Return of Capital;
Proportionate Entitlement	has the meaning given to it in Article 4.5;
Proposed Transfer	has the meaning given to it in Article 7.1;
Proposing Transferor	has the meaning given to it in Article 4.2;
Purchasing Shareholder	has the meaning given to it in Article 4.6;
Recipient Shareholders	has the meaning given to it in Article 6.1;
Return of Capital	means a return of assets on a liquidation or winding up, a

	buy back of shares or a capital reduction by the Company;
Sale	means a sale of a Controlling Interest in the Company or a sale of all or substantially all of the business, undertaking and assets of the Company;
Sale Date	has the meaning given to it in Article 7.3;
Seller	has the meaning given to it in Article 7.1;
shares	shares (of any class) in the capital of the Company from time to time, including (for the avoidance of doubt) the Ordinary Shares;
Shareholder	means a registered holder of shares in the Company;
Shareholders' Agreement	means any agreement between the Shareholders from time to time;
Specified Price	has the meaning give to it in Article 7.2;
Total Transfer Condition	has the meaning given to it in Article 4.2;
Transfer Notice	has the meaning given to it in Article 4.2; and
Transfer Shares	has the meaning given to it in Article 4.2.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the 2006 Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **Article** is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.

- 1.8 Articles 7(2), 11(2), 14(1), (2), (3) and (4), 17, 18, 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.10 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.11 Article 29 of the Model Articles 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".
- 1.12 Articles 31(1)(a) to (d) (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".
- 1.13 The Company is a private company limited by shares and the liability of the members is limited.

2. SHARE CAPITAL AND DIVIDENDS

- 2.1 The share capital of the Company at the date of adoption of these Articles consists of Ordinary Shares which shall rank equally in all respects save as set out in these Articles. For the avoidance of doubt, the Ordinary Shares carry no rights of redemption.
- 2.2 On a Sale or Return of Capital (and whether paid to Shareholders by way of consideration for the transfer of shares, dividends or otherwise) the Proceeds shall be divided between the holders of the Ordinary Shares on a pro rata basis by reference to their percentage holding of Ordinary Shares in the capital of the Company.
- 2.3 The profits of the Company which are available for lawful distribution in respect of each financial year of the Company shall be applied in such amounts as the board of directors of the Company shall determine, taking into account the working capital requirements of the Company provided that, subject to Article 2.4, any distribution shall be made between the Ordinary Shares on a pro-rata basis by reference to their percentage holding of Ordinary Shares in the capital of the Company. No such distributions shall be made without the written consent of the holder(s) of 51% or more of the nominal value of the Ordinary Shares.
- 2.4 If all the Shareholders agree in writing, such distributions referred to in Article 2.3 may be made to Dilip and Daniel and not the other Shareholders. Any such distributions to Dilip and Daniel may be made otherwise than in proportion to the number of Ordinary Shares held by a them as specified in such written agreement between the Shareholders

3. PRE-EMPTION RIGHTS ON NEW ALLOTMENTS OF EQUITY SECURITIES

- 3.1 Notwithstanding any other provisions of these Articles, no New Shares shall be allotted without the written consent of the holder(s) of 51% or more of the nominal value of the Ordinary Shares.

- 3.2 Subject to Article 3.1, any New Shares from time to time which are to be allotted following the Adoption Date shall, before they are allotted, be offered to the holders of the Ordinary Shares (other than an Excluded Person) in proportion (as nearly as may be) to the nominal value of the Ordinary Shares held by them.
- 3.3 The offer referred to in Article 3.2 shall be at the same price and on the same terms to each relevant holder of Ordinary Shares. The offer shall be made by notice specifying the number or amount of New Shares offered, the class of shares offered, the proportionate entitlement of the relevant holder of Ordinary Shares, the price per New Share or amount of New Shares and a period (of not less than 14 days) within which the offer, if not accepted, will be deemed to be declined (**Acceptance Period**).
- 3.4 After the expiration of the Acceptance Period, the directors shall allot the New Shares so offered to or among the relevant holder of Ordinary Shares who have notified their willingness to take all or any of such New Shares in accordance with the terms of the offer. No relevant holder of Ordinary Shares shall be obliged to take more than the maximum number or amount of New Shares they have indicated their willingness to take.
- 3.5 Any New Shares not accepted pursuant to the offer shall be at the disposal of the directors. However, no New Shares that are shares shall be issued at a discount and, in the case of New Shares not accepted pursuant to the offer as mentioned above, such New Shares shall not be disposed of on terms that are more favourable to the allottees of such New Shares than the terms on which they were offered to the relevant holder of Ordinary Shares.
- 3.6 No New Shares shall be allotted on terms that the right to take up the New Shares allotted may be renounced in favour of or assigned to another person, and no person entitled to the allotment of an New Shares may direct that such equity security be allotted to any other person.
- 3.7 The offer referred to in Article 3.2 shall be required to be made in respect of the issue of any shares in the capital of the Company if the shares are to be paid up otherwise than in cash (applying the interpretation of 'paid up in cash' set out in section 583 of the 2006 Act).
- 3.8 Sections 561(1) and sections 562(1) to (5) inclusive of the 2006 Act shall not apply to the Company.

4. PRE-EMPTION RIGHTS ON TRANSFERS OF SHARES

- 4.1 A Shareholder shall not create or permit to exist any charge, lien or encumbrance over any of their shares in the Company nor may they sell, transfer or dispose of any of their shares or any interest in them (or agree to do so whether subject to any condition precedent, condition subsequent or otherwise) except:
- (a) as required or permitted by Articles 5 to 8 (inclusive); or
 - (b) for a transfer of such shares in accordance with the following provisions of this Article 4; or
 - (c) as agreed in writing by all the Shareholders.

If a Shareholder shall commit any breach of Articles 4 to 8 (inclusive) then the shares registered in their name shall carry no voting rights whatever unless and until the breach is rectified or such shares are transferred pursuant to and in accordance with Articles 4 to 8 (inclusive).

4.2 A Shareholder proposing to transfer some or all of the shares registered in their name (a **Proposing Transferor**) shall, unless the transaction falls within one of the exceptions described in Article 4.1(a) and (c), give notice in writing (a **Transfer Notice**) to the Company that they wish to transfer such shares (the **Transfer Shares**) provided that a Shareholder holding such shares shall not be permitted to transfer any such shares pursuant to the provisions of Articles 4.2 to 4.15 (inclusive) without the written consent of the holder(s) of 51% or more of the nominal value of the Ordinary Shares (unless Article 5 applies). Such notice shall constitute the Company (acting by the directors) their agent for the sale of the Transfer Shares at the Offer Price in accordance with this Article. A Transfer Notice shall state whether the Proposing Transferor wishes to impose a **Total Transfer Condition** (meaning a condition that unless all of the Transfer Shares are sold to a Purchasing Shareholder or Purchasing Shareholders and/or a Nominated Person or Nominated Persons (each as defined below) pursuant to the following provisions of this Article, none of the Transfer Shares shall be so sold) but in the absence of such a statement the Transfer Notice shall be deemed to contain a Total Transfer Condition. A Transfer Notice shall be irrevocable.

4.3 Within seven days after the receipt, or deemed receipt, of any Transfer Notice, the directors shall serve a copy of that Transfer Notice on all the holders of the Ordinary Shares other than the Proposing Transferor and any Excluded Person. In the case of a Transfer Notice deemed to be given under Article 5 that is binding on the Proposing Transferor, the Company shall similarly serve notice on all the holders of the Ordinary Shares (including the Proposing Transferor) notifying them that the Transfer Notice has been deemed to have been given. For the purposes of this Article 4, a Proposing Transferor includes a Shareholder who is deemed to have given a Transfer Notice.

Calculation of price

4.4 In these Articles, the expression **Offer Price** shall mean such sum per Transfer Share as may be agreed (within 14 days after the service on the holders of the Ordinary Shares of copies of the Transfer Notice pursuant to Article 4.3) between the Proposing Transferor and the other holders of the Ordinary Shares as representing the fair market value of the Transfer Shares on the date of the Transfer Notice or deemed Transfer Notice or, failing any such agreement (for whatever reason), such sum per Transfer Share as may be determined and certified by the Experts to be the fair market value of the Transfer Shares as at the date of the Transfer Notice or deemed Transfer Notice. This shall be determined on the basis of there being a willing buyer and a willing seller and having regard to the fair value of the business of the Company as a going concern and valuing the Transfer Shares in question as a rateable proportion of the total value of all the issued shares of the Company which value shall not be enhanced or discounted by reason of the fact that the Transfer Shares do or do not carry any degree of control over the Company. The Experts shall act at the expense of

the Company and as experts and not as arbitrators in so determining and certifying and their decision shall (in the absence of manifest error) be final.

Offer to the Shareholders or the Company

- 4.5 Within seven days after the date of such agreement or determination of the Offer Price, the Company shall offer the Transfer Shares to the holders of the Ordinary Shares (other than the Proposing Transferor and any Excluded Person) in proportion (as nearly as may be) to the nominal value of shares held by them respectively. Every such offer shall be made in writing specifying the number of shares offered (**Proportionate Entitlement**) and shall be accompanied by forms of application for use by the relevant Shareholder in applying for their Proportionate Entitlement and for any Transfer Shares in excess of any such entitlement which they are prepared to purchase. Every such offer shall be open for acceptance in whole or in part within 21 days from the date of its despatch.
- 4.6 At the expiry of such period of 21 days, the directors shall allocate the Transfer Shares in the following manner:
- (a) to each relevant holder of Ordinary Shares who has agreed to purchase Transfer Shares (**Purchasing Shareholder**) there shall be allocated their Proportionate Entitlement or such lesser number of Transfer Shares for which they may have applied;
 - (b) to the extent that any relevant holder of Ordinary Shares has applied for less than their Proportionate Entitlement, the excess shall be allocated (as nearly as may be) pro-rata to the nominal amount of the existing holdings of shares of the relevant holder of Ordinary Shares who have applied for any part of such excess provided that any apportionment made under this Article 4.6(b) shall be made so as not to result in any such holder of Ordinary Shares being allocated more Transfer Shares than they have applied for (any remaining excess being apportioned by applying this Article 4.6(b) without taking account of such holder of Ordinary Shares).
- 4.7 If all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders, the holder(s) of 51% or more of the nominal value of the Ordinary Shares (excluding the shares held by the Proposing Transferor and any Excluded Person and by any other Shareholder who has also served a Transfer Notice which is then in its Active Period) may, within 30 days after the expiry of the 21 day period referred to in Article 4.5, nominate any person or persons who is willing to act (which may include the Company itself) (the **Nominated Person**) to purchase some or all of the Transfer Shares which have not been allocated to a Purchasing Shareholder, but no such person shall be entitled to be nominated unless:
- (a) they shall be bound to purchase the Transfer Shares in respect of which they are so nominated no later than if they had been a Purchasing Shareholder and at the Offer Price; or

(b) in the case of the Company being nominated, the following conditions shall have been satisfied:

- (i) an ordinary resolution shall have been passed pursuant to section 694 of the 2006 Act or a Shareholders' written resolution shall have been signed pursuant to section 288 of the 2006 Act, in either case approving the terms of a proposed share purchase agreement for the purchase by the Company of the Transfer Shares in respect of which it is so nominated from the Proposing Transferor;
- (ii) under the terms of the proposed share purchase agreement the Company would be bound to purchase the Transfer Shares in respect of which it is so nominated no later than if it had been a Purchasing Shareholder and at the Offer Price;
- (iii) the proposed share purchase agreement when executed would impose no obligations on the Proposing Transferor other than to sell the relevant Transfer Shares to the Company and to the effect that they will be so sold with full title guarantee and free from any encumbrances and third party rights and with all rights attaching to them at the time the agreement is executed;
- (iv) the proposed share purchase agreement complies, and its terms are consistent, with the requirements of sections 684 to 723 of the 2006 Act; and
- (v) the directors shall have resolved that the share purchase agreement be executed by the Company,

subject to, and immediately following, the satisfaction of all the conditions set out in Article 4.7(b), the Company and the Proposing Transferor shall execute the proposed share purchase agreement (**Buy Back Agreement**).

4.8 Within 28 days of the expiry of the 21 day period under Article 4.5 or, if all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders, the expiry of the 30 day period under Article 4.7, the directors shall notify the Proposing Transferor and all Purchasing Shareholders of the details of the applications which have been made, of the allocations made as between Purchasing Shareholders under Article 4.6 and of the Nominated Persons under Article 4.7 and those Transfer Shares which each such person is bound to purchase.

4.9 Any sale of shares effected pursuant to this Article 4 to a Purchasing Shareholder or a Nominated Person shall be at the Offer Price.

Completion of Sale

4.10 Subject as provided below in this Article 4.10 and in Article 4.12, the Proposing Transferor shall be bound, upon payment of the Offer Price, to transfer those Transfer Shares which have been allocated to a Purchasing Shareholder pursuant to Article 4.6 or to a Nominated Person pursuant to Article 4.7, to such Purchasing Shareholder or Nominated Person and to deliver the relative share certificates (or an appropriate indemnity in respect of any lost

certificates), and such payment shall be deemed to be made validly if it is made to the Company to be held in trust for the Proposing Transferor against delivery of such transfers and share certificates (or indemnity). In the case of Transfer Shares the subject of a Buy Back Agreement, completion of the sale and purchase of such Transfer Shares shall take place in accordance with the terms of the Buy Back Agreement.

- 4.11 Subject to Article 4.12 and to Article 7, if all the Transfer Shares are not accepted by a Purchasing Shareholder or a Nominated Person, the Proposing Transferor may, within 60 days after the date on which they received notification under Article 4.8, transfer all (but not some) of the Transfer Shares which have not been so accepted to one or more persons, other than any holder of Ordinary Shares, on a bona fide sale at a price per Transfer Share not less than the Offer Price.
- 4.12 Subject to Article 7, if all the Transfer Shares are not accepted by a Purchasing Shareholder or Nominated Person, the Proposing Transferor may, if the Transfer Notice contained a Total Transfer Condition, within 30 days after the date on which they received notification under Article 4.8, transfer all (but not some) of the Transfer Shares (despite the fact that some of the Transfer Shares have been accepted by a Purchasing Shareholder or Nominated Person) to one or more persons other than any holder of Ordinary Shares on a bona fide sale at a price per Transfer Share not less than the Offer Price.
- 4.13 If the Proposing Transferor, having become bound to transfer the Transfer Shares pursuant to Article 4.10, fails to transfer such Transfer Shares, the Purchasing Shareholder pursuant to Article 4.6 or those persons who are entitled to make a nomination pursuant to Article 4.7 may authorise and instruct such person as they think fit (who may be a director) to execute (as a deed or otherwise) the necessary instrument of transfer of such Transfer Shares and may deliver it on their behalf and the Company shall receive the purchase money and shall upon receipt of such money (subject to such instrument being stamped with any required stamp duty) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money in trust for the Proposing Transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until they shall have delivered their share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application of such money, and after the name of the transferee has been entered in the register of members in purported exercise of the above-mentioned power the validity of the proceedings shall be unchallengeable.
- 4.14 If the Proposing Transferor, having become bound to execute a Buy Back Agreement, fails to do so, the directors may authorise one of their number (who is (as security for the performance of the Proposing Transferor's obligations) irrevocably and unconditionally authorised on behalf of the Proposing Transferor for the purpose) to execute (whether as a deed or otherwise) the Buy Back Agreement, and receive the purchase money due in respect of it, on the Proposing Transferor's behalf. The receipt of such director for such purchase money shall be a good discharge to the Company and the Company shall be entitled to treat the Buy Back Agreement as completed against such receipt. Such director shall hold such purchase money in trust for the Proposing Transferor but shall not be bound

to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until the Proposing Transferor shall have delivered to the Company their share certificates (or an appropriate indemnity in respect of any lost certificates) relating to the Transfer Shares the subject of the Buy Back Agreement.

- 4.15 A transfer of Transfer Shares made pursuant to this Article 4 to a Purchasing Shareholder or a Nominated Person shall be on terms that the Proposing Transferor shall transfer the whole of the legal and beneficial title to such shares free from all charges, liens and encumbrances and other third party rights and together with all rights, title and interest in such shares in existence at the date of transfer and which may arise afterwards.

5. OBLIGATION TO OFFER SHARES FOR SALE IN CERTAIN EVENTS

- 5.1 Subject to Article 8.4, a person entitled to a share in consequence of the bankruptcy (or equivalent procedure in any jurisdiction outside England and Wales) or death of a Shareholder shall be deemed to have given a Transfer Notice in respect of that share at such time as the directors may determine and thereafter Article 4 shall apply (other than Article 4.11 and 4.12).
- 5.2 Forthwith upon a Transfer Notice being deemed to be served under this Article 5, the shares subject to the Transfer Notice shall cease to confer on the holder of them any right to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares.
- 5.3 The directors may reinstate the rights referred to in Article 5.2 at any time and, in any event, such rights shall be reinstated in respect of any shares transferred pursuant to this Article 5 on completion of such transfer.

6. DRAG ALONG RIGHT

- 6.1 Notwithstanding any other provisions of these Articles, any Shareholder or Shareholders who, alone or together, holds or hold 51% or more of the nominal value of the Ordinary Shares of the Company wish to exercise rights under this Article 6.1 (the **Calling Shareholders**) shall have the right at any time to require all other holders of shares (the **Recipient Shareholders**) by notice in writing to them (a **Call Notice**) to sell all of the shares held by the Recipient Shareholders to any person (the **Purchaser**) to whom the Calling Shareholders propose to sell all of their shares, provided that:
- (a) the terms and conditions applying to the sale of the shares of the Calling Shareholders and the Recipient Shareholders are set out in reasonable detail in, or in one or more attachments to, the Call Notice;
 - (b) the terms and conditions applying to the sale of the shares held by each of the Recipient Shareholders shall be no less favourable to the Recipient Shareholders than the terms and conditions applying to the sale of the shares held by the Calling Shareholders are to the Calling Shareholders, but the Calling Shareholders shall be entitled in such event to deduct from the amount to be received by the Recipient

Shareholders a pro rata share of the fees and expenses relating to the sale of the shares held by the Calling Shareholders and the Recipient Shareholders;

- (c) the Purchaser is a bona fide arm's length purchaser who is not an associate (as that term is defined in section 435 of the Insolvency Act 1986) of any of the Calling Shareholders; and
- (d) the Purchaser is required to acquire all the shares of the Recipient Shareholders and of the Calling Shareholders.

- 6.2 Subject to compliance with Article 6.1, if a Call Notice is served, all the Shareholders shall be bound to proceed with the sale of all their shares on the terms and subject to the conditions notified in the Call Notice.
- 6.3 Following the service of a Call Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company, or on the conversion of any convertible security of the Company (a **New Shareholder**), a Call Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Call Notice. The New Shareholder shall then be bound to sell and transfer all shares acquired by it to the Purchaser and the provisions of this Article 6 shall apply with the necessary changes to the New Shareholder
- 6.4 No Shareholder shall complete any sale of shares to the Purchaser unless the Purchaser completes the purchase of all the shares required to be sold simultaneously.
- 6.5 If any Recipient Shareholder fails to agree to sell or complete the sale of or make any required election in respect of any sale of any shares as they are bound to do in accordance with this Article, the directors shall be entitled to execute, and shall be entitled to authorise and instruct such person as they think fit (who may be a director) (the **Authorised Person**) to execute all necessary agreements, deeds and other documents necessary to give effect to the sale on the terms and conditions notified in the Call Notice, to make any such election on their behalf (in such manner as the Authorised Person in their absolute discretion shall think fit) and to execute the necessary instrument of transfer of their shares and may deliver such transfer on their behalf. The Company may receive the purchase consideration (and deduct any Recipient Shareholder's pro rata share of the sale costs incurred) and shall upon receipt of such consideration (subject to such instrument being stamped with any required stamp duty) cause the transferee to be registered as the holder of the shares being transferred and shall hold such purchase consideration on behalf of the defaulting Recipient Shareholder. The Company shall not be bound to earn or pay interest on any purchase consideration so held and shall not deliver such purchase consideration to any defaulting Recipient Shareholder until they shall have delivered their share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase consideration shall be a good discharge to the transferee who shall not be bound to see to the application of such money, and after the name of the transferee has been entered in the register of Shareholders in purported exercise of such power the validity of the proceedings shall be unchallengeable.

- 6.6 On Completion the relevant sale pursuant to this Articles 6, the Proceeds shall be dealt with in the manner set out in Article 2.2.

7. TAG ALONG RIGHT

- 7.1 Except in the case of transfers pursuant to Articles 5, 6 and 8 and after going through the pre-emption procedure set out in Article 4, the provisions of this Article 7 shall apply if, in one transaction or a series of related transactions, one or more Shareholders (a **Seller**) proposes to transfer any of the shares (a **Proposed Transfer**) which would, if carried out, result in any person (the **Buyer**), and any person Acting in Concert with the Buyer, acquiring 51% or more of the nominal value of the Ordinary Shares in the Company.
- 7.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the two months preceding the date of the Proposed Transfer (the **Specified Price**).
- 7.3 The Offer shall be given by written notice (the **Offer Notice**), at least five Business Days (the **Offer Period**) before the proposed sale date (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer under the Proposed Transfer (the **Offer Shares**).
- 7.4 If the Buyer fails to make the Offer to all holders of Shares in the Company in accordance with this Article 7, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares affected in accordance with the Proposed Transfer.
- 7.5 If the Offer is accepted by any Shareholder (the **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 7.6 The Proposed Transfer is subject to the pre-emption provisions of Article 4, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.
- ## 8. PERMITTED TRANSFERS
- 8.1 The transfers set out in this Article 8 shall be permitted without restriction and the provisions of Articles 4, 6 and 7 shall have no application to such transfers carried out pursuant to this Article 8.

8.2 The Shareholders (as specified below) may at any time transfer shares:

- (a) in the case of Dilip and Daniel only, to a Family Relation;
- (b) in the case of Dilip and Daniel only, to the trustees of a Family Trust and, on a change of trustees, by those trustees to the new trustees of the same Family Trust; and
- (c) in the case of Dilip only, to a Personal Company.

8.3 If a Permitted Transferee who has received shares pursuant to Articles 6.3 (a), (b) or (c) ceases to qualify as a Family Relation, Family Trust or a Personal Company (as applicable), that person will promptly notify the directors in writing and be bound to transfer all of the shares that they hold to the original holder of shares or at such original holder's election, to a Family Relation or a Family Trust or, in the case of Dilip only, a Personal Company.

8.4 If a Permitted Transferee (being an individual) dies and Dilip, Daniel, any Family Relation or any Family Trust (as applicable) are entitled to the legal and beneficial title of the relevant Permitted Transferee's shares on transmission then the provisions of Article 5 shall not apply.

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 2006 Act and provided they have declared the nature and extent of their interest in accordance with the requirements of the 2006 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 directors) in respect of such contract or proposed contract 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 contract or proposed contract in which they are interested and be counted in the quorum at the relevant meeting;
- (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 (as defined in section 252 of

the 2006 Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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 2006 Act.

10. DIRECTORS' CONFLICTS OF INTEREST

10.1 Subject to the terms of Article 12, 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 2006 Act to avoid conflicts of interest (a **Conflict**).

10.2 Any authorisation under this Article 10 will be effective only if:

- (a) to the extent permitted by the 2006 Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (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 or vote 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 their involvement in the Conflict and otherwise than through their 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 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 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 their involvement in the Conflict otherwise than as a director of the Company and in respect of which they owe a duty of confidentiality to another person, the director is under no obligation to:
 - (a) disclose such information to the directors or to any director or other officer or employee of the Company; or
 - (b) use or apply any such information in performing their duties as a director,where to do so would amount to a breach of that confidence.
- 10.7 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.

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. DIRECTORS

- 12.1 The quorum for the transaction of business at a meeting of directors is any one director. For the avoidance of doubt and notwithstanding any other provisions of these Articles, the Company shall only be required to appoint one director at any time and any such sole director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.
- 12.2 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by a decision of the directors or by written notice to the Company from the holder(s) of 51% or more of the nominal value of the Ordinary Shares. For the

avoidance of doubt, no new directors may be appointed via an ordinary resolution other than as set out in Article 12.3.

12.3 In any case where, as a result of death, the Company has no directors (but still has Shareholders), the Shareholders may by ordinary resolution, appoint a person to be a director. In any case where, as a result of death, the Company has no Shareholders and no directors, the personal representatives of the last Shareholder to have died have the right, by notice in writing, to appoint a person to be a director (for such purposes, where 2 or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older shareholder).

12.4 A person ceases to be a director Company as soon as:

(a) that person ceases to be a director by virtue of any provision of the 2006 Act or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

(d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(e) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or

(f) notification is received by the Company from the holder(s) of 51% or more of the nominal value of the Ordinary Shares that a particular director is to be removed from office.

12.5 Upon any resolution pursuant to section 168 of the 2006 Act, Dilip, in relation to any resolution to remove himself as a director, shall have the right to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company.

12.6 The provisions of this Article 12 are subject to the terms of any Shareholders' Agreement.

13. TELEPHONE BOARD MEETINGS

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

14. VOTES AND POLL VOTES

- 14.1 Each Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company and to receive copies of and to agree to any proposed written resolution.
- 14.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the 2006 Act) present and entitled to vote at the meeting.
- 14.3 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.

15. PROXIES

- 15.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 15.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.

16. MEANS OF COMMUNICATION TO BE USED

- 16.1 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 to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, 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.

16.2 For the purposes of this Article 16, no account shall be taken of any part of a day that is not a Business Day.

16.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act.

17. INDEMNITY

17.1 Subject to Article 17.2, 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:

(i) in the actual or purported execution and/or discharge of their duties, or in relation to them; and

(ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act),

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 (or any associated 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 17.1 (a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

17.2 This Article 17 does not authorise any indemnity which would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law.

17.3 In this Article 17:

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

(b) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the 2006 Act), but excluding in each case any person engaged by the Company (or

associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor).

18. INSURANCE

18.1 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.

18.2 In this Article:

- (a) a "relevant officer" has the meaning given in Article 17.3(b);
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.