

Company number 13563276

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CROWN LABELS GROUP LIMITED

(Adopted by special resolution passed on 6 JULY 2022)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

Acting in Concert: has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

Appointor: has the meaning given in article 9;

Articles: means the company's articles of association for the time being in force;

Asset Sale: means the sale, lease, transfer, exclusive license or other disposition by the Company of all or substantially all of its undertaking and assets;

Business day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Conflict: has the meaning given in article 7.1;

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);

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*S/2008/3229*) as amended prior to the date of adoption of these Articles;

Ordinary Shares: the ordinary shares in the Company, being part of the Shares;

Ordinary "A" Shares: the ordinary "A" shares in the Company, being part of the Shares;

Ordinary "B" Shares: the ordinary "B" shares in the Company, being part of the Shares;

Ordinary "C" Shares: the ordinary "C" shares in the Company, being part of the Shares;

Shareholders: all of the holders of the Shares from time to time;

Shares: the shares of the Company from time to time;

Share Sale: means the sale (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or a series of transactions) which will result in the purchase of those shares (or the grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

Threshold Value: means £1,000,000 (one million pounds).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 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, or are inconsistent with, these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14, 17(2), 44(2), [49,] 52 and 53 of the Model Articles shall not apply to the company.
- 1.9 Article 7 of the Model Articles shall be amended by:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.11 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".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.13 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) of the Model Articles," after the words "the transmittee's name".
- 1.14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise

decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

DIRECTORS

2. UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. CALLING A DIRECTORS' MEETING

- 3.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary to give such notice.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is one eligible director.
- 4.2 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

5. DIVIDENDS

- 5.1 Subject to Article 12, the directors have the discretion to declare (or recommend as the case may be) a dividend on one class of shares but not the others, and to declare (or recommend as the case may be) a different level of dividend on each class of shares.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, 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 existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) 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
- (e) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) 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 his duty under section 176 of the Act.

7. DIRECTORS' CONFLICTS OF INTEREST

7.1 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 (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if:

- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other 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 and any other interested director's vote had not been counted.

- 7.3 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.4 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.
- 7.5 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.

8. 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.

9. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) (**Appointor**) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

10. SECRETARY

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

SHARES

11. CLASS OF SHARES

The shares in the Company shall comprise of Ordinary shares, Ordinary "A" shares, Ordinary "B" shares and Ordinary "C" shares which shall constitute different classes of shares and shall each have the rights as set out in Article 12 below.

12. RIGHTS OF SHARES

12.1 Except as otherwise provided in these Articles, the Ordinary shares, the Ordinary "A" shares, Ordinary "B" shares and Ordinary "C" shares shall rank *pari passu* in all respects but shall constitute separate classes of shares and shall confer on their holders the following rights:

12.1.1 Capital: on a Share Sale or on a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the proceeds of sale or the surplus assets of the Company remaining after payment of its liabilities (the "Capital Proceeds") shall be distributed (to the extent that the Company is lawfully permitted to do so):

- (a) All Capital Proceeds up to and including the Threshold Value shall be distributed to the holders of the Ordinary Shares, the Ordinary "A" shares and the Ordinary "B" Shares pro rata to the number of Shares held (as if the Shares constituted to the same class of Share); and
- (b) All Capital Proceeds in excess of the Threshold Value (if any) shall be distributed to the holders of the Ordinary "C" Shares only pro rata to the number of Shares held.

On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in order of priority as set out in this Article 12.1.1 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provision of these Articles, the Shareholders shall take any lawful action reasonably required by the Shareholders (including, but without prejudice to the generality of this Article 12.1.1, actions that may be necessary to put the Company into voluntary liquidation so that this Article 12.1.1. applies).

12.1.2 As to Voting: the holders of Ordinary shares, Ordinary "A" shares and Ordinary "B" shares have the right to receive notice of, to be present and speak at and to vote, either by person or by proxy, at any general meeting of the company or by way of written resolution. For the avoidance of doubt, the Ordinary "C" shares are non-voting shares.

12.1.3 As to Income: to the extent that there are profits available for distribution, such profits shall be distributed to the holders of the Ordinary shares, Ordinary "A" shares and Ordinary "B" shares only in accordance with Article 5. For the avoidance of doubt, the Ordinary "C" shares shall carry no rights to dividends.

13. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the value of 5% of the Company's share capital.

14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

14.1 In this Article, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

14.2 Any transfer of shares by a shareholder, shall be subject to the pre-emption rights in this Article.

14.3 A shareholder holding Ordinary "A" Shares, Ordinary "B" Shares or Ordinary "C" Shares (**Seller**) wishing to transfer its shares (**Sale Shares**) must give notice in writing (**a Transfer Notice**) to the Company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) the price (in cash) at which the Seller wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)); and
- (c) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).

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

14.5 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

14.6 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares as follows:

| Sale Shares | Offeree |
|---------------------|---------------------------|
| Ordinary "A" Shares | Ordinary Shareholders |
| Ordinary "B" Shares | Ordinary "A" Shareholders |
| Ordinary "C" Shares | Ordinary "A" Shareholders |

and the offeree shareholders shall be invited to apply in writing from the period from the date of the offer to the date 20 Business Days after the offer (**the Offer Period**) for the maximum number of Sale Shares they wish to buy. The offer shall be made in writing, addressed to the Board and give details of the number and Transfer Price of the Sale Shares.

14.7 If the Sale Shares are subject to a Minimum Transfer Condition, any offer made under 14.6 shall be conditional on the fulfilment of the Minimum Transfer Condition.

14.8 If, at the end of the Offer Period, none of the Sale Shares have been applied for or the Minimum Transfer Condition has not been met, then the Transfer Notice shall lapse with immediate effect.

14.9 If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) applications under article 14.6 and 14.7 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 20 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

14.10 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

14.11 If the Seller fails to comply with article 14.10:

- (a) the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
- (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
- (iv) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

14.12 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to 14.8 then, subject to article 14.13 and within 2 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer any remaining Sale Shares to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 14.12 shall continue to be subject to any Minimum Transfer Condition.

14.13 The Seller's right to transfer Sale Shares under article 14.12 does not apply if the Board reasonably considers that:

- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company or with a subsidiary of the Company; or
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.

14.14 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.

15. FAIR VALUE

The **Fair Value** for any Sale Share shall be the price per share determined in writing by the Company Accountants on the following bases and assumptions:

- (a) Taking into account the assets and liabilities of the Company as a whole;
- (b) applying any discount for the percentage of shares held as the Company Accountants deem appropriate;
- (c) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (d) the sale is to be on arms' length terms between a willing seller and a willing buyer;
- (e) the shares are sold free of all restrictions, liens, charges and other encumbrances; and
- (f) the sale is taking place on the date the Company's Accountants were requested to determine the Fair Value.

DECISION MAKING BY SHAREHOLDERS

16. POLL VOTES

- 16.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 16.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

17. MEANS OF COMMUNICATION TO BE USED

- 17.1 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.

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

- 17.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

18. INDEMNITY

- 18.1 Subject to article 18.2, 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 him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (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 him in connection with any proceedings or application referred to in article 1818.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 18.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 18.3 In this article:

- (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 of the company.

19. INSURANCE

19.1 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.

19.2 In this article:

- (a) a "relevant officer" means any director or other officer of the company;
- (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.