

COMPANIES ACT 2006
ARTICLES OF ASSOCIATION OF A PRIVATE COMPANY LIMITED BY SHARES

Blackwater Partners Limited

Registered company number: 08487496

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

1.1. In the articles, unless the context requires otherwise—

"Allocation Notice"	has the meaning given in article 29.10;
"Applicant"	has the meaning given in article 29.10;
"articles"	means the company's articles of association for the time being in force;
"Asset Sale"	means the disposal by the Company of all, or a substantial part of, the business and assets of the Group to a person other than a Group Company, including disposal of a Subsidiary.
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
"Board"	the board of directors of the company from time to time;
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
"Buyer"	has the meaning given in article 33.1;
"Called Shareholders"	has the meaning given in article 34.1;
"Called Shares"	has the meaning given in article 34.1;
"Capital Raising"	means the issue of any shares in the capital of the Company (in one transaction or as a series of transactions)
"chairman"	has the meaning given in article 12;
"chairman of the meeting"	has the meaning given in article 48.3;
"CA 2006"	the Companies Act 2006;
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
"Completion Date"	has the meaning given in article 34.5;
"Conflict"	has the meaning given in article 15.1;

"Controlling Interest"	an interest in shares giving to the holder or holders control of the company within the meaning of section 1124 of the Corporation Tax Act 2010;
"Deemed Transfer Notice"	means a Transfer Notice that is deemed to have been served under any provision of these articles;
"Departure"	means the retirement or departure from the Company of the G Shareholder.
"director"	means a director of the company, and includes any person occupying the position of director, by whatever name called;
"distribution recipient"	has the meaning given in article 40;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"Drag Along Notice"	has the meaning given in article 34.2;
"Drag Along Option"	has the meaning given in article 34.1;
"electronic form"	has the meaning given in section 1168 of the Companies Act 2006;
"Employee"	a shareholder who is, or has been, an employee of the company;
"Encumbrance"	any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;
"Exit"	means a Share Sale or an Asset Sale or a Listing or a Capital Raising that the Board has determined should be treated as an Exit.
"Fair Value"	has the meaning given to it as determined in accordance with article 31;
"fully paid"	in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
"G Shares"	means the G Shares of £0.01 each in the capital of the Company.
"Group"	means the Company, any Subsidiary or subsidiary or any holding company from time to time of the Company, and any subsidiary

	from time to time of a holding company of the Company and each company in the Group is a Group Company
"hard copy form"	has the meaning given in section 1168 of the Companies Act 2006;
"holder"	in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
"Instrument"	means a document in hard copy form;
"Interested Director"	has the meaning given in article 15.1;
"Listing"	means the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).
"Majority Seller"	has the meaning given in article 33.1;
"Offer"	has the meaning given in article 33.2;
"Offer Notice"	has the meaning given in article 33.3;
"Offer Shares"	has the meaning given in article 33.3;
"ordinary resolution"	has the meaning given in section 282 of the Companies Act 2006;
"paid"	means paid or credited as paid;
"participate"	in relation to a directors' meeting, has the meaning given in article 10;
"Proposed Buyer"	has the meaning given in article 34.1;
"Proposed Transfer"	has the meaning given in article 33.1;
"proxy notice"	has the meaning given in article 54;
"Seller"	has the meaning given in article 29.2;
"shareholder"	means a person who is the holder of a share;
"Shareholder Consent"	means the prior written consent of the holders of 50% of the shares

"Share Sale"	means the sale of (or the grant of a right to purchase or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those shares (or grantee of that right) and persons Acting in Concert with the buyer together acquiring Control of the Company, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are substantially the same as the shareholders and their respective shareholdings in the Company immediately before the sale.
"shares"	means shares (of any class) in the capital of company and 'share' shall be construed accordingly;
"special resolution"	has the meaning given in section 283 of the Companies Act 2006;
"Specified Price"	has the meaning given in article 33.2;
"Subsidiaries"	means each of Seymour House Ltd (company number 02101313), L3 Property Limited (company number 08487292), Nursery Kitchen Limited (company number 09836661) and L3 Leisure Limited (company number 12673375) (and each a Subsidiary).
"Transfer Date"	has the meaning given in article 33.3;
"Transfer Notice"	has the meaning given in article 29.2;
"Transfer Price"	has the meaning given in article 29.2;
"transmittee"	means a person entitled to a share by reason of the death of a shareholder or otherwise by operation of law;
"Valuers"	means an independent firm of accountants jointly appointed by the company and the Seller or, in the absence of agreement within 10 Business Days, such independent firm of accountants as may be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and
"writing"	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2. Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

2. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

4. Shareholders' reserve power

- 4.1. The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 4.2. No such special resolution invalidates anything which the directors have done before the passing of the resolution.

5. Directors may delegate

- 5.1. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;
- as they think fit.
- 5.2. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 5.3. The directors may revoke any delegation in whole or part, or alter its terms and conditions.
- 6. Committees**
- 6.1. Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 6.2. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

PART 3

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively

7.1. The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

7.2. If—

- (a) the company only has one director for the time being, and
- (b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

8. Unanimous decisions

8.1. 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.

8.2. 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.

8.3. 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.

9. Calling a directors' meeting

9.1. Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

9.2. Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

9.3. Notice of a directors' meeting must be given to each director, but need not be in writing.

9.4. Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

10. Participation in directors' meetings

- 10.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 10.3. If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11. Quorum for directors' meetings

- 11.1. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2. Subject to article 11.3, the quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- 11.3. If the total number of directors 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.
- 11.4. For the purposes of any meeting (or part of a meeting) held pursuant to article 15 to authorise a director's Conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

12. Chairing of directors' meetings

- 12.1. The directors may appoint a director to chair their meetings.
- 12.2. The person so appointed for the time being is known as the "chairman".
- 12.3. The directors may terminate the chairman's appointment at any time.
- 12.4. If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

13. Casting vote

13.1. If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.

13.2. But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14. Director's Interests

14.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 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 act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he 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 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 Companies Act 2006)) 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 Companies Act 2006.

15. Conflicts of interest

15.1. 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 Companies Act 2006 to avoid conflicts of interest ("Conflict").

15.2. Any authorisation under this article 15 will be effective only if:

- (a) to the extent permitted by the Companies Act 2006, 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 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.
- 15.3. Any authorisation of a Conflict under this article 15 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he 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 himself 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.
- 15.4. 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.
- 15.5. 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.
- 15.6. A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which 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.
- 16. Records of decisions to be kept**
- 16.1. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.
- 16.2. 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.

17. Directors' discretion to make further rules

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

PART 4

APPOINTMENT OF DIRECTORS

18. Methods of appointing directors

18.1. 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—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

18.2. For so long as they hold shares in the Company each Family Shareholder shall have the right to nominate him- or herself as a director by notice in writing addressed to the Company from time to time and the other shareholders shall not vote so as to remove such Family Shareholder from office. Each of the Family Shareholders may be removed from office as a director by Shareholder Consent.

18.3. 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.

18.4. For the purposes of article 18.2, 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.

19. Termination of director's appointment

A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (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.

20. Directors' remuneration

20.1. Directors may undertake any services for the company that the directors decide.

20.2. Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

- 20.3. Subject to the articles, a director's remuneration may—
- (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 20.4. Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 20.5. Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.
- 21. Directors' expenses**
- 21.1. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 5

SHARES AND DISTRIBUTIONS

SHARES

22. Share classes

- 22.1. The share capital of the Company shall be divided into:
- (a) ordinary A shares of £0.01 each;
 - (b) ordinary B shares of £0.01 each
 - (c) ordinary C shares of £0.01 each;
 - (d) ordinary D shares of £0.01 each; and
 - (e) G shares of £0.01 each.
- 22.2. All shares shall rank *pari passu* in all respects save as follows.
- (a) The ordinary A shares, ordinary B shares, ordinary C shares and ordinary D. shares shall entitle the holders thereof to receive notice of, attend and vote at any general meeting of the Company; The holders shall have the right to participate in Company assets on a winding up and an Exit as set out in article 32 and shall rank *pari passu* save that the Board may propose different dividends payable for each share class or may exclude one or more share classes.
 - (b) The G shares are non-voting and, as such, shall not entitle the holders thereof to receive notice of, attend or vote at any general meeting of the Company but

shall have certain rights to participate in Company assets on a winding up and on an Exit or a Departure as set out in article 32.

23. All shares to be fully paid up

- 23.1. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- 23.2. This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

24. Powers to issue different classes of share

- 24.1. Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 24.2. The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

25. Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

26. Share certificates

- 26.1. The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 26.2. Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- 26.3. No certificate may be issued in respect of shares of more than one class.
- 26.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 26.5. Certificates must—
- (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

27. Replacement share certificates

- 27.1. If a certificate issued in respect of a shareholder's shares is—
- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

- 27.2. A shareholder exercising the right to be issued with such a replacement certificate—
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence and indemnity as the directors decide.

28. Share transfers - general

- 28.1. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 28.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 28.3. The company may retain any instrument of transfer which is registered.
- 28.4. The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 28.5. The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 28.6. No shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any share or any interest in any share, except as permitted or required by the articles, or with the shareholder consent.

29. Share transfers - pre-emption rights

- 29.1. 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.
- 29.2. Except where the provisions of article 30 (Compulsory transfer events) apply, no shareholder may transfer its shares to any other party without the consent of the Board and all other Family Shareholders. A shareholder ("Seller") wishing to transfer its Shares ("Sale Shares") must give notice in writing (a "Transfer Notice") to the company giving details of any proposed transfer. Prior to any such transfer the Board shall consider whether to carry out a share buyback in accordance with Part 18 of the Companies Act 2006. If the Board decides to carry out a share buyback, it shall notify the Seller that the Company wishes to buy back the Sale Shares.
- 29.3. A Transfer Notice must include:
- (a) the number and class of Sale Shares;
 - (b) if the Seller wishes to sell the Sale Shares to a specific third party, the name of the proposed buyer;

- (c) the price (in cash) at which the Seller wishes to sell the Sale Shares ("Transfer Price"), which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board.
- 29.4. The Company shall have the option to buy back the Sale Shares. If the Company wishes to buy back Shares in accordance with article 29.2, the price for G Shares shall be a Growth Valuation in accordance with article 32.1. The price for Ordinary A, Ordinary B, Ordinary C and Ordinary D Shares shall be the Fair Value calculated in accordance with article 31.
- 29.5. A Transfer Notice (or a Deemed Transfer Notice) constitutes the company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these articles.
- 29.6. Once given (or deemed to have been given) under these articles, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the proposed Transfer Price. In such case, the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- 29.7. The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these articles, be the price per Sale Share (in cash) agreed between the Seller and the Board (any director with whom the Seller is connected not voting) or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 31.
- 29.8. As soon as practicable following the determination of the Transfer Price, the Board shall (unless the Company wishes to buy back the Sale Shares in accordance with article 29.4 or the Transfer Notice is withdrawn in accordance with article 29.6) offer the Sale Shares for sale to the other shareholders (excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) ("Offerees") inviting them to apply to the Company in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) ("Offer Period") for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 29.9. If —
- (a) at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each shareholder who has applied for Sale Shares in the proportion which the shareholder's existing holding of shares bears to the total number of shares held by those other shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- (b) not all Sale Shares are allocated following allocations in accordance with article 29.9(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 29.9(a). The procedure set out in this article 29.9(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied;
- (c) at the end of the Offer Period, not all of the Sale Shares have been allocated pursuant to articles 29.9(a) and 29.9(b), the balance of the Sale Shares may, with the prior written consent of the Board be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 29.16.

29.10. The Board shall, when no further offers or allocations are required to be made under article 29.9, give notice in writing of the allocations of Sale Shares (an "Allocation Notice") to the Seller and to 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 and the place and time for completion of the transfer of the Sale Shares (which shall be at least 2 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

29.11. On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicants or the Board may reasonably require to show good title to the Sale Shares, or to enable each of them to be registered as the holder of the Sale Shares.

29.12. If, following a sale of shares in accordance with the articles, a shareholder will hold no further shares (excluding any shares held by his personal representatives, successors and permitted assigns) the shareholder shall deliver, or procure that there are delivered, to the Company his resignation as a director of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares.

29.13. Any transfer of shares by way of a sale that is required to be made under the articles shall be deemed to include a warranty that the Seller sells the shares with full title guarantee.

29.14. If the Seller fails to comply with article 29.11:

- (a) the chairman of the Board (or, failing him, any other director of the Company or some other person nominated by a resolution of the Board) may, as attorney on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and

- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his 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.

29.15. Each shareholder shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration of each transfer of Sale Shares under this article 29 (subject to due stamping of a transfer by the relevant Applicant(s)) and each of them consents to such transfers and registrations.

29.16. Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, subject to article 29.17, at any time during the 90 Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third party buyer if that buyer was not identified in the Transfer Notice (save with the prior written consent of the Board).

29.17. Subject to article 29.18, no shareholder shall, except with Shareholder Consent, sell, transfer or otherwise dispose of any shares to any person who is not a shareholder without first obtaining from that person a deed of adherence in respect of any shareholders' agreement at that time in force.

29.18. Nothing in article 29.17 shall require the Company to enter into a Deed of Adherence in respect of any shares it holds in treasury from time to time.

30. Compulsory transfer events

30.1. A shareholder shall be deemed to have served a Transfer Notice under article 29.2 ("Deemed Transfer Notice") immediately before any of the following events ("Transfer Event"):

- (a) in the case of an individual, his death or if he has a bankruptcy order made against him, enters into any composition or arrangement with or for the benefit of his creditors or allows his shares in the Company to be charged in any way; or
- (b) in the case of a company, if a liquidator, administrator or administrative receiver is appointed over it (or a material part of its business); or
- (c) in the case of an individual, if he is convicted of a criminal offence (other than a minor motoring offence);
- (d) in the event that they commit a material breach of their contract of employment or director's letter of appointment which (if capable of remedy) is not remedied within 10 Business Days of notice having been given to the relevant shareholder/director requiring them to remedy the same;
- (e) in the case of the G Shareholder, on a Departure.

30.2. A Deemed Transfer Notice shall immediately and automatically revoke a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice

30.3. A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 29 shall apply, except that:

- (a) the Transfer Price shall be the Fair Value of those shares;
- (b) the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the shares held by him (including any shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Deemed Transfer Notice);
- (c) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the shares;
- (d) the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation;
- (e) any transfer of Sale Shares shall be negotiable and may be split into a number of separate transfers to one or more parties and/or to take place at different times, subject to Shareholder Consent.

30.4. If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without the prior written consent of the Board.

30.5. If the Seller fails to complete a transfer of Sale Shares as required under this clause 11, any director is irrevocably authorised as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the prospective buyer may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the buyer

31. Valuation

31.1. The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the company and the Seller in writing of their determination.

31.2. The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions —

- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- (b) if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that RPI inflation of trading profits and inflation in property values be excluded
- (d) that the sale is an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served)
- (e) that the Sale Shares are capable of being transferred without restriction and are sold free of all Encumbrances;
- (f) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- (g) taking account of any other factors which the Valuers reasonably believe should be taken into account.

- 31.3. The directors will give the Valuer access to all accounting records or other relevant documents of the company, subject to it agreeing such confidentiality provisions as the directors may reasonably impose.
- 31.4. The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 31.5. To the extent not provided for by this article 31, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 31.6. The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 31.7. The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct unless the Seller withdraws the relevant Transfer Notice in accordance with article 29.6, in which case the Seller shall bear the cost.

32. Growth Valuation

- 32.1. On a distribution of assets in respect of the G Shares on a liquidation or winding up or return of capital or an Exit or Departure, the value of the G Shares shall be determined by a valuation (**Growth Valuation**) as set out in Schedule 1. The Growth Valuation shall be calculated by reference to the percentage increase in EBITDA for the Group from the EBITDA for the Group at 31 March 2022, as set out in Schedule 1, adjusted for inflation based on RPI, and the value of all of the G Shares shall be:

(the inflation-adjusted increase in EBITDA multiplied by 8) multiplied by 2.5% (being the percentage of G Shares in relation to the total number of Shares in the Company). Refer to Schedule 1 for full details.

- 32.2. On a distribution of assets on a liquidation or winding up or a return of capital or an Exit (other than a purchase of shares by the Company) the distribution due to the G Shares shall be calculated in accordance with article 32.1 and the remainder shall be distributed to all ordinary A, ordinary B, ordinary C and ordinary D shareholders pro rata to the number of shares held.
- 32.3. For the avoidance of doubt, the disposal of any company of the Group or a significant part of the business of any Group Company shall constitute an Exit under this article 32 for the purposes of the G Shareholder.

33. Tag Along

- 33.1. The provisions of articles 33.2 to 33.6 shall apply if the holders of 50% of the shares ("**Majority Sellers**") propose to transfer their shares to a bona fide purchaser on arm's length terms ("**Proposed Transfer**") and such transfer would, if carried out, result in such person ("**Buyer**") acquiring a Controlling Interest in the Company.

- 33.2. Before making a Proposed Transfer, the Majority Seller shall procure that the Buyer makes an offer ("Offer") to the holders of all other shares in issue for the time being to purchase those shares for a consideration in cash per share that is at least equal to the price per share offered by the Buyer in the Proposed Transfer ("Specified Price").
- 33.3. The Offer shall be made by written notice ("Offer Notice"), at least 10 Business Days before the proposed transfer date ("Transfer Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Transfer Date; and
 - (d) the number of shares proposed to be purchased by the Buyer ("Offer Shares").
- 33.4. If the Buyer fails to make the Offer in accordance with articles 33.2 and 33.3, the Majority Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 33.5. If the Offer is accepted by a Remaining Shareholder in writing within 7 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such Shareholder.
- 33.6. Neither the Proposed Transfer nor the purchase of the Offer Shares shall be subject to the rights of pre-emption set out in article 29.
34. **Drag Along**
- 34.1. If the Majority Sellers wish to transfer their shares (or some thereof) to a bona fide purchaser on arm's length terms ("Proposed Buyer") and such transfer would, if carried out, result in the Proposed Buyer acquiring a Controlling Interest in the Company, they may require the holders of all other shares in issue at the relevant time ("Called Shareholders") to sell and transfer all of their shares ("Called Shares") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("Drag Along Option").
- 34.2. The Majority Sellers may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("Drag Along Notice") at any time before the transfer of the Majority Sellers' shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer to the Majority Sellers for their shares; and
 - (d) the proposed date of the transfer.
- 34.3. Once Issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Majority Sellers have not sold their shares to the Proposed Buyer within 40 Business Days of serving the Drag Along Notice. The Majority

Sellers may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

34.4. No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 34.

34.5. Completion of the sale of the Called Shares shall take place on the Completion Date. "Completion Date" means the date proposed for completion of the sale of the Majority Sellers' shares unless:

- (a) the Majority Sellers and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
- (b) that date is less than 3 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 10th Business Day after service of the Drag Along Notice.

34.6. Neither the proposed sale of the Majority Sellers' shares to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholder is subject to the rights of pre-emption set out in article 29.

34.7. On or before the Completion Date, the Called Shareholder shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 34.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest.

34.8. To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 34 in respect of its shares.

34.9. If the Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 34.7) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Sellers to be their agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 34.9.

35. Transmission of shares

35.1. If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

35.2. A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

- (a) may, subject to the articles, choose
 - (i) to become the holder of those shares; or
 - (ii) to have them transferred to another beneficiary of the previous shareholder, or
 - (iii) to send a Transfer Notice in accordance with article 29.2 (except that no third party other than a beneficiary of the former shareholder in accordance with article 35.2(a)(ii) shall be permitted and the Transfer Price shall be Fair Value), and
- (iv) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

35.3. Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or otherwise, unless they become the holders of those shares.

36. Exercise of transmittees' rights

36.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

36.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

36.3. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

37. Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

38. Purchase of own shares

Subject to the Companies Act 2006, 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 Companies Act 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

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

PART 6

DIVIDENDS AND OTHER DISTRIBUTIONS

39. Procedure for declaring dividends

- 39.1. The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 39.2. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 39.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 39.4. Unless the shareholders' resolution to declare a dividend or directors' decision to pay a dividend, or the terms on which the shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of the relevant class of shares on the date of the resolution or the decision to declare or pay it.
- 39.5. For so long as the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 39.6. The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 39.7. If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

40. Payment of dividends and other distributions

- 40.1. Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing;
 - (d) by crediting the amount to an on-demand loan account with the company in the name of the distribution recipient; or
 - (e) any other means of payment as the directors agree with the distribution recipient in writing.
- 40.2. In the articles, the "distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

- (c) if the holder is no longer entitled to the share by reason of death or otherwise by operation of law, the transmittee.

41. No interest on distributions

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

42. Unclaimed distributions

42.1. All dividends or other sums which are—

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

42.2. The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

42.3. If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

43. Non-cash distributions

43.1. Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

43.2. For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

44. Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

PART 7

CAPITALISATION OF PROFITS

45. Authority to capitalise and appropriation of capitalised sums

45.1. Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

45.2. Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

45.3. Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

45.4. A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

45.5. Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with articles 45.3 and/or 45.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 8

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

46. Attendance and speaking at general meetings

46.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

46.2. A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 46.3. The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 46.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 46.5. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- 47. Quorum for general meetings**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 48. Chairing general meetings**
 - 48.1. If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
 - 48.2. If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
 - (a) the directors present, or
 - (b) (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
 - 48.3. The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".
- 49. Attendance and speaking by directors and non-shareholders**
 - 49.1. Directors may attend and speak at general meetings, whether or not they are shareholders.
 - 49.2. The chairman of the meeting may permit other persons who are not —
 - (a) shareholders of the company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.
- 50. Adjournment**
 - 50.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
 - 50.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 50.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 50.4. When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 50.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- 50.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

PART 9

VOTING AT GENERAL MEETINGS

51. Voting: general

- 51.1. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- 51.2. At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll, every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution, every shareholder has one vote for each share of which he is the holder.

52. Errors and disputes

- 52.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 52.2. Any such objection must be referred to the chairman of the meeting, whose decision is final.

53. Poll votes

- 53.1. A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or

- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 53.2. A poll may be demanded by—
 - (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 53.3. A demand for a poll may be withdrawn if—
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 53.4. Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 54. Content of proxy notices**
- 54.1. Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
 - (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate, and a proxy notice which is not delivered in such manner shall be invalid.
- 54.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 54.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 54.4. Unless a proxy notice indicates otherwise, it must be treated as—
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 55. Delivery of proxy notices**
- 55.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

- 55.2. An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 55.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 55.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.
- 56. Amendments to resolutions**
- 56.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 56.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 56.3. If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 10

ADMINISTRATIVE ARRANGEMENTS

57. Means of communication to be used

- 57.1. Subject to article 57.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - (b) if sent by fax, at the time of transmission; or
 - (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
 - (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (g) 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; and
- (h) if deemed receipt under the previous paragraphs of this article 57.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt.

For the purposes of this article, all references to time are to local time in the place of deemed receipt.

57.2. To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

58. Company seals

58.1. Any common seal may only be used by the authority of the directors.

58.2. The directors may decide by what means and in what form any common seal is to be used.

58.3. Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

58.4. For the purposes of this article, an authorised person is—

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

59. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

60. Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

PART 11

DIRECTORS' INDEMNITY AND INSURANCE

61. Indemnity

61.1. Subject to article 61.2, 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 61.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

61.2. 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.

61.3. 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 or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006).

62. Insurance

62.1. 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.

62.2. In this article:

- (a) a "relevant officer" means any 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 Companies Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- (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.

Schedule I CALCULATION OF GROWTH VALUATION

Blackwater Partners Ltd - group	31/03/2022	
	(£)	
Operating profit	1,093,165	
Adjusted for:-		
Depreciation	60,124	
Amortisation	260,000	
EBITDA - headline	2,303,289	
MULTIPLE:- Estimated Industry norm	8	
Target Group Value metric	18,426,312	A see example 1
<p>Nick Candler growth share value to be determined by reference to growth in Group Value metric as calculated above (i.e. growth in value A). This starting reference (value A) to be indexed to RPI in order to provide a basis to measure real terms growth above inflation at any point in the future. Nick Candler's growth share to be worth 2.5% of any increase in value A.</p>		

Example 1

Blackwater Partners Ltd - group	31/03/2022	
	(£)	
Target Group Value metric	18,426,312	A
Allow for inflation linked to RPI - say 4% per annum for 5 years - for example	22,418,428	B
Actual group EBITDA at exit - for example	4,000,000	
MULTIPLE:-	8	
Group Value metric on exit	32,000,000	C
Increase in Group Value metric	9,581,574	D (being C minus B)

Impact on Nick Candler share exit price

Increase in Group Value metric	9,581,574	D
Price company to buy back 2.5% interest	239,539	X