

Company No. 12011038

The Companies Acts 2006 (as amended)

Private Company Limited by Shares

ARTICLES OF ASSOCIATION

of

GRG Waste UK Ltd

Incorporated on: 22 May 2019

Adopted by special resolution passed on:

30TH JUNE 2020

TUESDAY



A05 *A98SDCND* 07/07/2020 #202
COMPANIES HOUSE

The Companies Act 2006
Private Company Limited by Shares
Articles of Association
of
GRG WASTE UK LTD

(Adopted by Special Resolution passed on ^{7th} ~~30~~ JUNE 2020)

1 PRELIMINARY

1.1 In these Articles, if not inconsistent with the context, the following expressions have the following meanings:

A Ordinary Shares mean A ordinary shares of £0.001 (one tenth of a penny) each in the capital of the Company;

A Shareholder means a person who is registered as the holder of A Ordinary Shares;

Accounts mean the audited accounts of the Group in each financial year;

Acquisition Date means the date on which B Ordinary Shares are registered in the name of a B Shareholder;

Articles mean these articles of association;

Auditors mean the auditors for the time being of the Company or if no auditors have been appointed the Company's accountants for the time being;

B Ordinary Shares mean B ordinary shares of £0.001 (one tenth of a penny) each in the capital of the Company;

B Shareholder means a person who is registered as the holder of B Ordinary Shares;

Board means the board of Directors of the Company from time to time;

Business Days means any day (other than a Saturday, Sunday or a public holiday in the England) on which clearing banks are generally open for business;

CA 1985 means the Companies Act 1985 as amended, modified or replaced from time to time;

CA 2006 means the Companies Act 2006 including any statutory re-enactment or modification thereof from time to time in force;

Cash Offer has the meaning given to it in Article 4.1;

Companies Acts means CA 1985 and CA 2006;

Conflict has the meaning given to it in Article 19.1;

Controlling Shareholder means a registered holder for the time being of not less than 75% in nominal value of the A Ordinary Shares from time to time;

Controlling Shareholder Buyer has the meaning given to that term in Article 9.5 and Article 10.8;

Controlling Shareholder Sellers has the meaning given to that term in Article 9.5 and Article 10.8;

Departing Employee has the meaning given to it in Article 7.2;

Default Shareholder has the meaning set out in Article 7.3;

Director means a director of the Company from time to time;

Disposal means the sale or other disposal of any Subsidiary or Subsidiaries or other assets (except current assets disposed of in the ordinary course of trading) representing (in terms of net assets, turnover or pre-tax profits) more than 50 per cent of the net assets, turnover or pre-tax profits of the Group as shown by the latest Accounts or its latest management accounts;

Drag Along Completion has the meaning set out in Article 10.2;

Drag Along Notice has the meaning set out in Article 10.3;

electronic communication has the meaning given to it in the Electronic Communications Act 2000;

Economic Value means in relation to B Ordinary Shares, the right to receive or participate in distributions and / or receive value on an Exit Event and the right to receive the value that would otherwise be received on a liquidation or Exit Event on the basis that no additional Shares are issued after the date of adoption of these Articles;

Eligible Director means a Director would is entitled to vote on a matter proposed at a meeting of the Directors;

Exit Event means a Sale, a Disposal or a Listing;

Fair Value means the fair value of the Shares in question pro rata to all Shares in issue as if all the Shares in issue were being sold between a willing buyer and willing sellers, with no discount for a minority holding and as if the Company were being valued as a going concern;

Group means the Company and its Subsidiaries for the time being and **Group Company** means any of them;

Hurdle Amount means £19,000,000 subject to any adjustment made in accordance with the relevant provisions Article 3.9;

Independent Expert means the Auditors or, if a Shareholder so requires, an independent firm of accountants appointed by the Company who are appropriately qualified for the purpose of determining the matter in question as agreed by the Company and the Shareholder in question within 10 Business Days or in default of such agreement, such firm as is nominated by the President of the Institute of Chartered Accountants in England and Wales following an application to make such nomination by the Company or the Shareholder in question;

Interested Director has the meaning given to it in Article 19.1;

Leaver has the meaning set out in Article 7.4;

Listing means the admission of any part of the Company's share capital to the Official List of UKLA and the grant of permission for the same to be traded on the Main Market of the London Stock Exchange plc, or the grant of permission for the same to be traded on AIM (being the market operated under that name by London Stock Exchange plc) or on any other Recognised Investment Exchange (as defined by section 285 of the Financial Services and Markets Act 2000);

Listing Value means, in the event of a Listing, the aggregate value of Shares in issue prior to a Listing determined by reference to the price at which new Shares are to be issued or (as appropriate) placed as part of the Listing arrangements (but for the avoidance of doubt excluding the value of such new Shares);

Majority Shareholder means any Shareholder who at a relevant time holds (together as applicable with any persons connected to it in aggregate) not less than 85% of the voting rights attaching to Shares;

Majority Shareholder Consent means a consent in writing provided to the Company prior to a relevant matter or event by the Majority Shareholder setting out its unconditional approval to the matter or event in question;

Mandatory Transfer Event means those events set out in Articles 7.1, 7.2 and 7.3 that give rise to a deemed Transfer Notice;

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

New Shareholder has the meaning set out in Article 10.7;

Non-complying Shareholder has the meaning set out in Article 10.5;

Non-selling Party has the meaning set out in Article 9.1;

Offer has the meaning set out in Article 6.8;

Offer Period has the meaning set out in Article 6.9;

Original B Shareholder means a person who is registered as the holder of B Ordinary Shares whose Acquisition Date was prior to 31 August 2019;

Proposed Buyer has the meaning set out in Article 10.2;

Proposing Seller has the meaning set out in Article 9.1;

Realisation Event means a Disposal, a Share Sale, a Listing or return of assets as contemplated in Article 3.2;

Realisation Value means in the event of a Share Sale, the total consideration payable for the Shares (in cash or otherwise) pursuant to the terms of a Share Sale or in the event of a Disposal, the total consideration payable for the assets and undertaking (in cash or otherwise) pursuant to the terms of a Disposal, in each case less the costs incurred in connection with as the case may be the Share Sale or the Disposal;

Relevant Securities mean any Shares or other securities convertible into or carrying the right to subscribe for Shares issued by the Company following the adoption of these Articles;

Sale Notice has the meaning set out in Article 6.5;

Sale Price has the meaning set out in Article 6.5;

Sale Shares has the meaning set out in Article 6.3.1;

Seller has the meaning given to it in Article 6.3;

Selling Shareholder has the meaning set out in Article 10.1;

Share means a share in the capital of the Company; and **Shareholder** means a person who is registered as a holder of a Share;

Share Sale means the sale or transfer of any Shares constituting more than 50 per cent of the issued share capital of the Company to a single purchaser or to one or more purchasers as part of a single transaction, or the acquisition (whether or not as part of a single transaction) of Shares constituting such an interest by any person or group of persons who are connected to each other or who are acting in concert and who did not previously hold such an interest but excluding (i) any sale or transfer of Shares or interests in them as part of a Group reorganisation, reconstruction or amalgamation undertaken for bona fide commercial reasons and (ii) any sale or transfer of Shares or an interest in them by the Majority Shareholder to another legal entity controlled by the Majority Shareholder or persons who control the Majority Shareholder;

Subsidiary means a subsidiary undertaking for the purposes of the Companies Acts and Subsidiaries shall be construed accordingly;

- **Surplus Assets** has the meaning given to it in Article 3.2;
 - Tag Along Offer** has the meaning set out in Article 9.1;
 - Threshold Amount** means £13,000,000 subject to any adjustment made in accordance with the relevant provisions Article 3.9;
 - Threshold Excess** means, in the event that the Surplus Assets exceed the Hurdle Amount, the amount by which the Surplus Assets exceed the Threshold Amount, subject to any adjustment that may be made in accordance with Article 3.9;
 - Transfer Notice** has the meaning set out in Article 6.3;
 - Transfer Shares** has the meaning set out in Article 10.1;
 - UKLA** means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000.
- 1.2 In these Articles:
- 1.2.1 use of the singular includes the plural and vice versa;
 - 1.2.2 use of any gender includes the other genders;
 - 1.2.3 any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts; and
 - 1.2.4 headings are included for convenience only and do not affect the interpretation of these Articles.
- 1.3 Save as aforesaid any words or expressions contained in these Articles shall bear the same meaning as in the Companies Act but excluding any statutory modification thereof not in force when these Articles became binding on the Company.
- 1.4 Any reference to any section or provision of the Companies Act shall be deemed to include a reference to any statutory re-enactment or modification thereof from time to time in force.
- 1.5 The Regulations contained in the Model Articles shall apply to the Company except in so far as they are excluded by or are inconsistent with these Articles.
- 1.6 Model Articles 7, 8, 9(1) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 44(2), 50 and 51 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2 **SHARE CAPITAL**
- The Company's issued share capital at the date of adoption of these Articles is £1,037,821 comprising 887,821 A Ordinary Shares and 150,000 B Ordinary Shares.
- 3 **RIGHTS ATTACHING TO SHARES**
- Dividends*
- 3.1 Any profits which the Company determines to distribute in respect of any financial period shall be paid to A Shareholders in proportion to the number of A Ordinary Shares held by them. B Shareholders shall not be entitled to participate in any distribution or dividend in their capacity as holders of B Ordinary Shares other than those that may arise under Article 3.2 to Article 3.7.
- Capital*
- 3.2 On a return of assets on liquidation, capital reduction or otherwise (but excluding a purchase by the Company of its own shares undertaken under any provision of these Articles), the assets of the Company remaining after the payment of its liabilities ("**Surplus Assets**") shall, if the value of the Surplus Assets is less than the Hurdle Amount, be distributed (to the extent that the Company is lawfully able to do so) to the A Shareholders pro rata to the total number of A Ordinary Shares held by them.

- 3.3 If the value of the Surplus Assets exceeds the Hurdle Amount, the Surplus Assets shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
- 3.3.1 first, in distributing to A Shareholders and B Shareholders the nominal value of their respective Shares;
 - 3.3.2 second, in distributing the value of the balance of the Surplus Assets up to £12,000,000 to the A Shareholders pro rata to the total number of A Ordinary Shares held by them; and
 - 3.3.3 the balance of the Surplus Assets in the proportions set out below:
 - 3.3.3.1 to each Original B Shareholder an amount equal to:

$$RP \times 15\% \times £1,000,000$$

where RP is the proportion (expressed as a percentage) to which an Original B Shareholder's holding of B Ordinary Shares bears to the total number of issued B Ordinary Shares;
 - 3.3.3.2 to each B Shareholder (regardless of their Acquisition Date) an amount equal to:

$$RP \times 15\% \times \text{Threshold Excess}$$

where RP is the proportion (expressed as a percentage) to which an Original B Shareholder's holding of B Ordinary Shares bears to the total number of issued B Ordinary Shares; and
 - 3.3.3.3 the balance of the Surplus Assets to the A Shareholders, pro rata to the total number of A Ordinary Shares held by them.

Worked Example

- 3.4 The following is a worked example of the distribution of Surplus Assets under Article 3 assuming that (i) the Surplus Assets are £25,001,000; (ii) Original B Shareholders hold 25% of the B Ordinary Shares in issue; and (iii) the nominal value of the A Ordinary Shares is £850 and the nominal value of the B Ordinary Shares is £150:
- 3.4.1 Under Article 3.3.1:
 - 3.4.1.1 the A Shareholders would receive £850 (being the nominal value of the A Ordinary Shares); and
 - 3.4.1.2 the B Shareholders would receive £150 (being the nominal value of the B Ordinary Shares).
 - 3.4.2 Under Article 3.3.2, the A Shares as a class would receive £12,000,000;
 - 3.4.3 Under Article 3.3.3.1, the Original B Shareholder would receive £37,500;
 - 3.4.4 Under Article 3.3.3.2, the B Shares as a class would receive £1,800,000 (being 15% of the Threshold Excess of £12,000,000);
 - 3.4.5 Under Article 3.3.3.3, the A Shareholders as a class would receive £11,162,500.

Disposal

- 3.5 On or following a Disposal, the Realisation Value shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 3.2 on the basis that such assets are treated as Surplus Assets, provided always that if it is not lawful for the Company to distribute all or any part of the Surplus Assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action (including, but without prejudice to the generality of this Article 3.5,

- such action as may be necessary to put the Company into members' voluntary liquidation) so that Articles 3.2 apply.

Share Sale

- 3.6 On or following a Share Sale the Realisation Value shall be allocated as far as reasonably practicable in the order of priority set out in Articles 3.2 and 3.3, on the basis that the Realisation Value shall be treated as Surplus Assets, provided that where the Realisation Value is less than the Hurdle Amount, B Shareholders shall be required to sell to the relevant purchaser their entire holding of B Ordinary Shares for the nominal value of their respective B Ordinary Shares.

Listing

- 3.7 On a Listing, the Listing Value shall be allocated as far as reasonably practicable in the order of priority set out in Article 3.2 and 3.3, on the basis that the Listing Value shall be treated as Surplus Assets, provided that where the Listing Value is less than the Hurdle Amount, B Shareholders shall not in respect of their holding of B Ordinary Shares participate in the Listing and shall be required on or following the Listing to sell to the Company for cancellation their entire holding of B Ordinary Shares for the nominal value of their respective B Ordinary Shares.

Dispute

- 3.8 In the event of any dispute as to the calculation of Realisation Value or Listing Value and the consequent allocations of value between A Shareholders and B Shareholders under Articles 3.2 to 3.7 (inclusive), the matter in dispute may at the request of the Company or the relevant B Shareholder be referred to the Independent Expert for its determination. The Independent Expert's determination shall be final and binding for all purposes. The cost of obtaining the certificate shall be borne equally between the relevant B Shareholder and the Company.

Adjustment

- 3.9 If a Realisation Event involves the sale of less than 100% of the Company's issued share capital or the distribution of less than 100% of the Company's net assets:

3.9.1 the Hurdle Amount shall be deemed to refer to £19,000,000;

3.9.2 the Threshold Amount shall be deemed to refer to £13,000,000; and

3.9.3 the amount to which the Original B Shareholder is entitled under clause 3.3.3.1, multiplied by the relevant percentage to which the Realisation Event relates.

Voting

- 3.10 A Shareholders shall be entitled to receive notice and attend, either in person or by proxy, any general meeting of the Company. Each A Shareholder present at a general meeting, in person or by proxy, shall be entitled on a show of hands to one vote and on a poll to one vote for every A Ordinary Share held by it.
- 3.11 B Shareholders shall not be entitled to receive notice of or attend or vote at general meetings of the Company.

Class rights

- 3.12 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

4 ALLOTMENT OF SHARES

- 4.1 The Directors shall not be entitled to allot Relevant Securities to any person unless:

- 4.1.1 such allotment would not affect the Economic Value of B Ordinary Shares; and
 - 4.1.2 the Company has first offered them to Shareholders of the class of Shares to which the allotment relates (on the date of the offer) in the respective proportions that the number of Shares of that class held by a Shareholder bears to the total held by all Shareholders of the relevant class (as nearly as possible without involving fractions) and on the same terms and at the same price as Shares are being, or are to be, offered to any other person (a **Cash Offer**).
- 4.2 A Cash Offer made under Article 4.1 shall:
 - 4.2.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
 - 4.2.2 remain open for a period of at least 10 Business Days from the date of service of the offer; and
 - 4.2.3 stipulate that any person who wishes to subscribe for a number of Relevant Securities in excess of the number to which he or she is entitled under Article 4.1 shall, in his or her acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he or she wishes to subscribe.
- 4.3 If, on the expiry of a Cash Offer made in accordance with Articles 4.1 and 4.2, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to any Shareholder who has offered to acquire such securities in accordance with their applications, subject to a maximum of each offeree Shareholder's proportionate entitlement.
- 4.4 Any Relevant Securities not accepted by Shareholders pursuant to an offer made in accordance with Articles 4.1 and 4.2 shall be used to satisfy any requests for Excess Securities made pursuant to Article 4.2.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him or her).
- 4.5 If, after completion of the allotments referred to in Articles 4.3 and 4.4, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to Article 4.6 be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 4.6 No Shares shall be allotted to any current or prospective employee or director of the Company (or any Subsidiaries) unless such person shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

5 **LIEN ON SHARES**

The Company shall have a first and paramount lien on every Share registered in the name of any Shareholder (whether solely or jointly with others and whether or not it is a fully paid Share) for all monies (whether presently payable or not and whether by way of nominal value or premium) due to the Company from him or his estate, whether solely or jointly with any person (whether a Shareholder or not). The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to all dividends and other monies payable thereon.

6 **TRANSFER OF SHARES**

Registration of transfers

- 6.1 The transferor of a Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect thereof.

- 6.2 Subject to and in accordance with the provisions of section 771 of the Companies Act, the Directors shall refuse to register any instrument of transfer of shares which has not been entered into in accordance with the provisions of these Articles.

Pre-emption rights

Transfer notices

- 6.3 Subject to Article 7 (*Mandatory Transfers*), Article 9 (*Tag Along Rights*), Article 10 (*Drag Along Rights*), Article 6.16 and save with Majority Shareholder Consent, no Shareholder shall be permitted to transfer any Shares otherwise than in accordance with the following provisions of this Article 6. Any Shareholder who wishes to transfer any Shares or any interest in Shares, or grant any rights or options over or in respect of any Shares (**Seller**) shall give to the Company notice thereof in writing (**Transfer Notice**) and such notice shall specify:

- 6.3.1 the number and class of Shares the Seller wishes to transfer (**Sale Shares**), which may be all or part only of the Shares then held by the Seller; and
- 6.3.2 whether or not the Seller has received an offer from a third party for the Sale Shares and if so the identity, and details of the business activities, of the third party and the price (including all relevant terms) offered for the Sale Shares;

and shall be accompanied by the share certificates for the Sale Shares or a suitable indemnity in lieu thereof. Except as otherwise expressly provided in these Articles a Transfer Notice shall be irrevocable without the consent of the Directors, who may impose such conditions to any consent as they think fit.

- 6.4 A Transfer Notice may (unless it is served or is deemed to have been served as a consequence of a Mandatory Transfer Event) specify that unless acceptances are received for all the Sale Shares then none of the Sale Shares shall be sold (an **all or nothing** provision).

Sale price

- 6.5 A Transfer Notice shall constitute the Company as the Seller's agent for the sale of the Sale Shares at a price (**Sale Price**) specified in the Transfer Notice relating to the Sale Shares or, if no such price is specified, a price agreed upon by the Seller and the Directors as the Fair Value or, if not agreed between the Company and the Seller within 14 days of the date of the Sale Notice (or deemed Sale Notice) the Fair Value determined by the Independent Expert appointed by the Company for the purpose (acting as experts and not as arbitrators) as at the date of the Transfer Notice.
- 6.6 The Independent Expert's certificate shall be final and binding for all purposes in absence of fraud or manifest error. The cost of obtaining the certificate shall be borne equally by the Seller and the Company.
- 6.7 If the Independent Expert are asked to certify the Fair Value pursuant to Article 6.5 the Company shall within seven days of the issue of the certificate furnish a copy of it to the Seller and the Seller shall (unless the Transfer Notice has been deemed to be served as a result of a Mandatory Transfer Event) be entitled, by notice in writing given to the Company within 28 days of the same being served on him to withdraw the Transfer Notice.

Offer and allocation of the Sale Shares

- 6.8 Upon the Sale Price being fixed in accordance with Article 6.5, and provided that the Seller does not withdraw the Transfer Notice, the Directors shall determine if some or all of the Sale Shares shall be offered for purchase by the Company in one or more transactions. If the Directors decide not to offer the Sale Share or any of them to the Company for purchase, the Sale Shares not so offered shall instead be offered to the Majority Shareholder by notice in writing (the **Offer**).
- 6.9 The Offer shall be open for the period specified by the Directors (**Offer Period**), being not less than 7 nor more than 28 days from the date upon which the relevant Offer is made, during

which time the Majority Shareholder must state in writing to the Company the number of Sale Shares (if any) it wishes to buy.

Completing the sale of the Sale Shares

- 6.10 Within 7 days of the conclusion of the Offer Period, or, if the Transfer Notice validly contained an all or nothing provision and valid acceptances have not been received in respect of all the Sale Shares offered to Majority Shareholder, within 7 days of the Seller confirming that he wishes to proceed with the transfer of the Sale Shares, the Company shall notify the Seller of the number of Sale Shares taken up in the Offer and shall notify the Majority Shareholder in writing that a contract has been concluded for the sale and purchase of the Sale Shares or such number of the Sale Shares that have been accepted by the Majority Shareholder. Thereafter:

6.10.1 the Seller and the Majority Shareholder shall be bound to give effect to such contract and shall within 14 days of notice being given in accordance with this Article 6.10 execute proper transfers of the relevant Sale Shares and effect payment of the Sale Price for the relevant Sale Shares; and

6.10.2 the Seller shall sell the Sale Shares to the Majority Shareholder with full title guarantee, free from all charges, liens and encumbrances and with the benefit of all rights attaching to them (including all dividends and distributions) as at the date of the relevant contract.

- 6.11 If the Seller shall fail to comply with its obligation under Article 6.10 the Company:

6.11.1 may receive the purchase price and the Directors may appoint a person to execute instruments of transfer and such other agreements and documents necessary to effect the transfer of the relevant Sale Shares in favour of the Majority Shareholder;

6.11.2 shall, subject to the relevant transfer being duly stamped, cause the name of the Majority Shareholder to be entered in the register of members of the Company as the holders of the relevant Sale Shares; and

6.11.3 shall hold the purchase price in trust for the Seller.

The receipt of the Company shall be a good discharge to the Majority Shareholder and, after its name has been entered in the register of members of the Company under this Article, the validity of the transactions shall not be questioned by any person.

Partial acceptance of Offer in the case of all or nothing Transfer Notices

- 6.12 If an all or nothing provision is included in the Transfer Notice then upon completion of the Offer, if acceptances have not been received in respect of all of the Sale Shares, the Company shall forthwith in writing notify the Seller whereupon the Seller shall be entitled, by notice in writing:

6.12.1 to withdraw the Transfer Notice (in which event neither the Seller nor the Majority Shareholder will have any further obligations in respect of any offer made for the Sale Shares and the Company shall forthwith notify the Majority Shareholder accordingly); or

6.12.2 at any time within three months of notification, to transfer:

6.12.2.1 all of the shares comprised in the Transfer Notice (in which event neither the Seller nor the Buyers will have any further obligations in respect of any Offer made for the Sale Shares and the Company shall forthwith notify the Buyers accordingly); or

6.12.2.2 the balance of any Sale Shares not the subject of an accepted Offer (in which event the sale of Sale Shares already the subject of an accepted Offer shall proceed forthwith in accordance with Article 6.10),

to any person approved in writing by the Company on a bona fide arm's length sale at any price not less than the Sale Price.

Failure to complete through no fault of the Seller

- 6.13 Where through no default of the Seller any purchase of Sale Shares is not duly completed, the Directors shall notify the Majority Shareholder in respect of which there has been default in completion and if within seven days of such notice being given the Majority Shareholder shall not have completed or fully completed the purchase of the respective Sale Shares, the Seller shall be entitled to sell such Sale Shares to any person on the terms mentioned in Article 6.12.

Company purchase of Sale Shares

- 6.14 If a Transfer Notice is deemed to have been served as a result of a Mandatory Transfer Event or if the Directors determine in accordance with Article 6.8 that some or all of the Sale Shares shall be offered for purchase by the Company, the relevant Sale Shares shall be allocated at the Sale Price to the Company, subject to the Companies Acts, for purchase for cancellation or to hold on treasury. The Shareholder to whom a Mandatory Transfer Event has occurred or as the case may be the Seller where the Directors have allocated some or all of the Sale Shares to the Company for purchase shall be obliged to sign and deliver to the Company all such agreements and other documents necessary to give effect to the Company's rights under this Article 6.14 no later than 14 days after the Company has delivered to the Shareholder in question such agreements and documents, in default of which the provisions of Article 6.11 will apply *mutatis mutandis*. To the extent that the Company has not purchased all the Sale Shares to which this Article applies within 12 months of the date when a Transfer Notice is deemed to be served, Articles 6.8 to 6.12 (inclusive) shall apply in relation to the balance of the Sale Shares that have not been purchased.
- 6.15 Without limiting any other method by which the Company may lawfully purchase its own shares, it shall be permitted to purchase shares out of cash (even if not out of distributable profits or out of capital pursuant to Chapter 5 of the CA 2006) up to an amount in a financial year not exceeding the lower of £15,000 and the nominal value of 5% of its share capital, as contemplated by section 692(1)(Z)(A) of the CA 2006.
- 6.16 Nothing in Articles 6.1 to 6.15 shall apply to any transfer of A Shares arising as a result of the exercise of a put option by an A Shareholder in any sale and purchase documentation under which he was issued A Shares.

7 MANDATORY TRANSFERS

- 7.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of those Shares at such time as the Directors may determine.
- 7.2 If any person who is an employee or director of any Group Company shall cease for whatever reason to be an employee or a director of that company and does not continue to be or does not immediately become an employee or director of any other Group Company (a **Departing Employee**), that person shall be deemed to give a Transfer Notice from the date that person ceases to be an employee or director or such other date as the directors may determine.
- 7.3 Where any Shareholder is in material breach of these Articles of Association (a **Default Shareholder**), that person shall be deemed to give a Transfer Notice from the date that the breach in question arose or if such date is not known from the date that the Company became aware of it.
- 7.4 Notwithstanding any other provisions of these Articles and subject to anything confirmed by the Company to the person the subject of the Mandatory Transfer Event (**Leaver**) under an agreement under which the Leaver was issued with any Shares, the Sale Price per Sale Share in respect of a Mandatory Transfer Event shall be the nominal value of such Sale Shares where:

- 7.4.1 the Leaver is a Departing Employee who resigns as an employee and/or director of a Group Company who is not or who does not immediately become an employee or director of another Group Company (other than on grounds of permanent incapacity or ill health or following retirement on reaching the age of 65 or such younger age as the Board may agree) or is dismissed for cause other than where such dismissal is subsequently found by an Employment Tribunal or court to be unfair;
- 7.4.2 the Leaver is declared bankrupt in accordance with Article 7.1; or
- 7.4.3 the Leaver is a Default Shareholder.
- 7.5 In all other cases where Articles 7.4.1 to 7.4.3 (inclusive) do not apply or otherwise where the Directors (Majority Shareholder Consent) so determine, the Sale Price shall be Fair Value, notwithstanding the application of Articles 7.4.1 to 7.4.3 (inclusive).
- 7.6 Forthwith upon a Transfer Notice being deemed to be served under Articles 7.1, 7.2 and 7.3 and where any of Articles 7.4.1 to 7.4.3 (inclusive) apply, the relevant Shares shall cease to confer on the holder of them any rights:
 - 7.6.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise);
 - 7.6.2 to receive dividends or other distributions otherwise attaching to those Shares; or
 - 7.6.3 to participate in any future issue of Shares issued in respect of those Shares.
- 7.7 The Directors may, with Majority Shareholder Consent, reinstate some or all of the rights referred to in Article 7.6 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 6 on completion of such transfer.
- 7.8 Each Departing Employee, save where Majority Shareholder Consent has been provided, will not directly or indirectly on his own behalf or on behalf of any other person for a period of 24 months following the date on which he becomes a Departing Employee ("**Departure Date**"):
 - 7.8.1 in competition with the Company deal with, seek employment or engagement with, or be employed or engaged by or be a director or consultant to, work on any account of, or be in any way interested in or connected with any business which competes with any business carried on by the Group at the Departure Date in the United Kingdom, provided always that this clause shall not prevent the Departing Employee from being interested as a holder or beneficial owner solely for investment purposes of less than three per cent. of any securities of any company whose securities are listed or quoted on any recognised investment exchange in the United Kingdom;
 - 7.8.2 deal with, seek employment or engagement with, be employed or engaged by, engage in business with or work on any account or business of any customer of the Group for the purpose of providing that customer with services which are the same as or similar to any services which were being provided to that customer by the Group at any time in the 12 months preceding the Departure Date;
 - 7.8.3 solicit business from any customer of the Group for the purpose of providing to that customer services which are the same as or similar to those which were being provided to that customer by the Group at any time in the 12 months preceding the Departure Date;
 - 7.8.4 interfere with or seek to interfere with contractual or other trade relations between the Group and any of its customers;
 - 7.8.5 interfere or seek to interfere with contractual or other trade relations between the Group and any of its suppliers; and
 - 7.8.6 solicit the services of, endeavour to entice away from the Group or knowingly assist in, or procure, the employment by any other person of any director or senior or managerial employee or consultant of the Group known personally to him (whether or

not such person would commit any breach of his contract of employment or engagement by reason of leaving the service of such company).

8 INFORMATION ABOUT SHAREHOLDINGS AND TRANSFERS

8.1 For the purpose of ensuring that a transfer of Shares is duly authorised under the Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given, the Directors may from time to time require:

8.1.1 any Shareholder;

8.1.2 the legal personal representatives of any deceased Shareholder; or

8.1.3 any person named as transferee in any transfer lodged for registration,

to provide the Company with such information and evidence as the Directors may think fit including (but not limited to) the names and addresses and interests of all persons having interests in the shares from time to time registered in the Shareholder's name.

8.2 If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned.

8.3 If such information or evidence is not provided to the satisfaction of the Directors within 14 days after request, the Directors:

8.3.1 shall refuse to register the transfer in question or (if there is no transfer in question) require by notice in writing to the holder of the relevant Shares that a Transfer Notice be given in respect of the Shares concerned; and

8.3.2 may serve a notice on the Shareholder or other person entitled or claiming to be entitled to be registered as the holder of the Shares stating that the Shareholder or such other person may not:

8.3.3 attend or vote (personally or by proxy) at any general meeting or at any class meeting; or

8.3.4 receive dividends on his Shares

until the evidence or information has been provided to the Directors' satisfaction.

9 TAG ALONG RIGHTS

9.1 If any Shareholder, on his own or acting in concert (within the meaning of the edition of the City Code on Takeovers and Mergers current at the relevant time) with one or more other Shareholders, proposes to sell or transfer, in one or a series of related transactions, Shares equal to or greater than 50 per cent of all the Shares in issue at the time of the proposed sale or transfer (the **Proposing Seller**) to any person other than another Shareholder the Proposing Seller shall procure, before the sale or transfer, that each proposed purchaser makes a bona fide written offer (**Tag Along Offer**) to each of the other Shareholders (each a **Non-selling Party**) to buy that proportion of each Non-selling Party's Shares which is equal to the proportion represented by the number of Shares which the Proposing Seller is proposing to sell as against all the Shares held by the Proposing Seller at the time of the proposed sale or transfer for the same price per Share and otherwise on the same terms and conditions as those applying to the proposed sale or transfer by the Proposing Seller of his Shares.

9.2 Each Tag Along Offer shall specify:

9.2.1 the price for the relevant Shares and any other principal terms and conditions of the proposed sale or transfer; and

9.2.2 the period (being not less than 25 days from service of the Tag Along Offer) for acceptance by each Non-selling Party.

9.3 If within the period specified in each Tag Along Offer any Non-selling Party accepts the offer in writing, then the Proposing Seller shall procure that the sale by that Non-selling Party of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Proposing Seller's Shares.

9.4 Any acceptance by a Non-selling Party of a Tag Along Offer shall be irrevocable, but no sale of that Non-selling Party's Shares pursuant to its acceptance shall take place unless and until the sale of the Proposing Seller's Shares is completed.

Controlling Shareholder Tag

9.5 If the shareholder(s) in a Controlling Shareholder (**Controlling Shareholder Sellers**) wish to transfer 50 per cent or more of the issued share capital of the Controlling Shareholder (**Controlling Shareholder Shares**) to any independent third party (**Controlling Shareholder Buyer**) as part of a bona fide arm's length transaction then the provisions of Articles 9.1 to 9.4 inclusive shall be deemed to apply *mutatis mutandis* except that:

9.5.1 references to "Proposing Seller" shall be deemed to refer to Controlling Shareholder;

9.5.2 references to "Proposing Seller's Shares" shall be deemed to refer to the Controlling Shareholder Shares;

9.5.3 references in Article 9.2.1 and Article 9.3 to the "price per Share" shall be deemed to be such amount as is agreed between the Non-selling Parties and the and the Board (having regard to the price being paid for the Controlling Shareholder Shares and the other assets being sold pursuant to that transaction) or, in default of agreement within five Business Days after a price is proposed by the Board to such Shareholders, such amount as is determined by the Independent Expert as being the Fair Value of the relevant Shares at the time that the Controlling Shareholder Shares are sold. In making such determination, the relevant provisions of Article 6.5, 6.6 and 6.7 shall apply and the Independent Expert will be provided with all relevant details in relation to the price being paid for the Controlling Shareholder Shares and the other assets being sold pursuant to that transaction.

10 DRAG ALONG RIGHTS

10.1 The provisions of this Article 10 shall apply if any Shareholder (on his own or acting in concert with one or more other Shareholders) each a **Selling Shareholder**) proposes to sell or transfer Shares (**Sale Shares**) that in aggregate constitute 75 per cent or more of all the Shares in issue at the time of the proposed sale or transfer as part of a bona fide arm's length transaction to any person other than another Shareholder.

10.2 The Selling Shareholder may (but shall not be obliged to) give to the Company not less than 25 days' prior written notice of that proposed sale or transfer. That notice (**Sale Notice**) will include details of the Transfer Shares and the proposed price per Transfer Share to be paid by the proposed buyer (**Proposed Buyer**), details of the Proposed Buyer and the place, date and time of completion of the proposed purchase being a date not less than 25 days from service of the Sale Notice (the **Drag Along Completion**). Any Transfer Notice received by the Company less than 25 days before the proposed date of the Drag Along Completion shall be ineffective.

10.3 Immediately upon receipt of a Sale Notice, the Company shall give notice in writing (**Drag Along Notice**) to each of the Shareholders (other than the Selling Shareholder) (**Called Shareholders**) giving the details contained in the Sale Notice and requiring each of them to sell to the Proposed Buyer at the Drag Along Completion all Shares held by them (or if the offer made by the Proposed Buyer is for less than 100 per cent of the issued Shares, the relevant proportion of Shares in respect of which the relevant offer relates) (**Called Shares**), provided that a Selling Shareholder may withdraw a Sale Notice at any time prior to the Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect.

- 10.4 Each Called Shareholder shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all his Called Shares to the Proposed Buyer on the Drag Along Completion at the highest price per Transfer Share proposed by the Proposed Buyer and otherwise on terms no less favourable than those applicable to the sale of the Transfer Shares by the Selling Shareholders.
- 10.5 If any of the Called Shareholders (each a **Non-complying Shareholder**) shall fail to comply with the terms of Article 10.4 in any respect:
- 10.5.1 the Company shall be constituted the agent of each Non-complying Shareholder for the sale of his Called Shares (together with all rights then attached to those Called Shares);
 - 10.5.2 the Board may authorise a Director to execute and deliver on behalf of each Non-complying Shareholder the necessary transfers;
 - 10.5.3 the Company may receive the purchase money in trust for each Non-complying Shareholder and cause the Proposed Buyer to be registered as the holder of the Called Shares;
 - 10.5.4 the receipt by the Company of the purchase money pursuant to those transfers shall constitute a good and valid discharge to the Proposed Buyer (who shall not be bound to see to the application of those monies);
 - 10.5.5 after the Proposed Buyer has been registered in purported exercise of the powers in this Article 10.5, the validity of the proceedings shall not be questioned by any person; and
 - 10.5.6 the Company shall not pay the purchase monies to a Non-complying Shareholder until he shall, in respect of the shares subject to the Drag Along Notice, have delivered a share certificate or a suitable indemnity and the necessary transfers to the Company.
- 10.6 The expression **price per Sale Share** used in Articles 10.2 and 10.4 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by Selling Shareholders which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Transfer Shares, and in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding.
- 10.7 If, following the issue of a Drag Along Notice, a person becomes a Shareholder (or increases an existing shareholding interest) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him, her or it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of Articles 10.2 to 10.6 shall apply *mutatis mutandis* to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares pursuant to a Drag Along Notice. References in this Article 10.7 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares that are held in treasury.

Controlling Shareholder Drag

- 10.8 If holders of not less than 75% of the share capital of a Controlling Shareholder (**Controlling Shareholder Sellers**) wish to transfer all of their shares in such Controlling Shareholder

(**Controlling Shareholder Shares**) to any independent third party (**Controlling Shareholder Buyer**) as part of a bona fide arm's length transaction then the provisions of Articles 10.1 to 10.7 inclusive shall be deemed to apply *mutatis mutandis* except that:

10.8.1 the references in Articles 10.1 to 10.7 to:

10.8.1.1 Selling Shareholders shall be deemed to refer to Controlling Shareholder Sellers;

10.8.1.2 Transfer Shares shall be deemed to refer to Controlling Shareholder Shares;

10.8.1.3 Proposed Buyer shall be deemed to refer to the Controlling Shareholder Buyer;

10.8.2 the references in Article 10.2 to Called Shareholders being required to sell or transfer Called Shares to the Proposed Buyer shall be deemed to include (if so requested by the Controlling Shareholder Buyer) a requirement for the Called Shares to be transferred to the Controlling Shareholder Buyer;

10.8.3 the references in Articles 10.2 to 10.7 to the "price per Transfer Share" shall be deemed to be such amount as is agreed between the holders of a majority of the Called Shares and the Board (having regard to the price being paid for the Controlling Shareholder Shares and the other assets being sold pursuant to that transaction) or, in default of agreement within five Business Days after a price is proposed by the Board to the Called Shareholders, such amount as is determined by the Independent Expert as being the Fair Value of the relevant Shares at the time that the Controlling Shareholder Shares are sold. In making such determination, the relevant provisions of Article 6.5, 6.6 and 6.7 shall apply and the Independent Expert will be provided with all relevant details relating to the price being paid for the Controlling Shareholder Shares and the other assets being sold pursuant to that transaction.

11 **PROCEEDINGS AT GENERAL MEETINGS**

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any Shareholder present in person or by proxy. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

12 **GENERAL MEETING ON MEMBERS' REQUISITION**

12.1 In addition to any relevant provisions of the Companies Acts, the Directors shall forthwith proceed to convene a general meeting of the Company on the requisition of holders of not less than 50% in nominal value of the Shares in issue at the date of deposit of the requisition, such meeting to be convened for such date as is specified in the requisition or as soon thereafter as the Companies Acts permit.

12.2 The requisition must state the objects of the meeting, and must be signed by or on behalf of the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by or on behalf of one or more requisitionists.

12.3 If the Directors do not within 7 days from the date of the deposit of the requisition proceed to convene a meeting in accordance with this Article 12, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.

12.4 . A meeting convened under this Article by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

12.5 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a meeting in accordance with this Article shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default.

13 **DIRECTORS: NUMBER AND APPOINTMENT OF DIRECTORS**

13.1 Subject to any ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall not be more than eight but need not be more than two. If and for so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these Articles. No shareholding qualification for Directors or alternate Directors shall be required, but nevertheless they shall be entitled to attend and speak at any general meeting of the Company.

13.2 The Chairman of the Directors shall have no second or casting vote.

14 **ALTERNATE DIRECTORS**

14.1 Each Director (other than an alternate Director) shall have the power at any time to appoint as an alternate Director either another Director or any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.

14.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.

14.3 An alternate Director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all meetings of the Directors and of any committee of the Directors of which his appointor is a Shareholder and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all general meetings.

14.4 The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.

14.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

15 **REMUNERATION OF DIRECTORS**

Each of the Directors shall be entitled to fees for his services if and at such rate from time to time as the Directors may determine. The Directors shall also be entitled to be repaid by the Company all such reasonable expenses (including travelling, hotel and incidental expenses) as they may incur in attending meetings of the Directors, or of committees of the Directors, or

general meetings, or separate meetings of the holders of any class of shares or which they may otherwise properly incur in or about the business of the Company.

16 POWERS OF DIRECTORS

The Directors may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities and superannuation or other benefits to or for the benefit of past or present Directors or employees who are or were at any time employed by or in the service of the Company or held any place of profit with the Company or any of its subsidiaries or any company associated with, or any business acquired by, *any of them or to or for the benefit of persons who are or were related to or dependants of* any such Directors or employees and may make contributions to any fund and pay premiums for the purchase or payment of any such pension, annuity, allowance, gratuity, superannuation or other benefit or may make payments for or towards the insurance of any such person.

17 PROCEEDINGS OF THE DIRECTORS

17.1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as they think fit. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Directors. Questions arising at any meeting shall be determined by a majority of votes. A Director may, and the Secretary on the requisition of a Director shall, call a meeting of the Directors. *Notice of any meeting of the Directors shall be in writing and shall be given to all Directors, whether within or outside the UK at the address specified by such Directors for the service of such notice, not less than seven days before the proposed date of the meeting. A Director may waive notice of any meeting either before or after the meeting.*

17.2 The quorum necessary for the transaction of business of the Directors shall be two.

17.3 If a quorum is not present or ceases to be present, the meeting shall be adjourned to the third business day following the date of the adjourned meeting at the same time and place.

17.4 Any or all of the Directors may take part in a meeting of the Directors:

17.4.1 by way of a conference telephone or similar equipment that allows all persons participating in the meeting to hear and speak to each other; or

17.4.2 by a series of telephone calls from the chairman of the meeting.

17.5 Each Director taking part in this way shall be counted as being present at the meeting. A meeting which takes place by a series of calls from the chairman shall be treated as taking place where the chairman is calling from. Otherwise meetings shall be treated as taking place where most of the participants are or, if there is no such place, where the chairman of the meeting is.

17.6 All acts done by any meeting of the Directors, or of a committee or sub-committee of the Directors, or by any person acting as a Director or by an alternate Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as *valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.*

18 INTERESTS OF DIRECTORS

18.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the 2006 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:

- 18.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 18.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 18.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous written decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 18.1.4 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;
- 18.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 18.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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.

19 DIRECTORS' CONFLICTS

- 19.1 The Directors may, in accordance with the requirements set out in this Article 19, 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 2006 Act to avoid conflicts of interest (a **Conflict**).
- 19.2 Any authorisation under this Article 19 will be effective only if:
 - 19.2.1 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;
 - 19.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 19.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 19.3 Any authorisation of a Conflict under this Article 19 may (whether at the time of giving the authorisation or subsequently):
 - 19.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 19.3.2 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;
 - 19.3.3 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;
 - 19.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

- 19.3.5 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
- 19.3.6 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.
- 19.4 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.
- 19.5 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.
- 19.6 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

20 NOTICES

- 20.1 Every Director of the Company and every alternate Director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate Director shall not invalidate the proceedings at the meeting convened by such notice.
- 20.2 A notice may be given:
- 20.2.1 by the Company to any Shareholder or Director either personally or by sending it by first class post (airmail if abroad) or by fax or other means of electronic communications to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or
- 20.2.2 to the Company for the purpose of these Articles by like method at its registered office for the time being.
- 20.3 In this Article, the term **address** in relation to electronic communications includes any number or address used for the purposes of such communications. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. A notice contained in an electronic communication shall be deemed to be effected at the time the electronic communication was sent.

21 INDEMNITY AND INSURANCE

- 21.1 Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including:
- 21.1.1 any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted;
- 21.1.2 in connection with the actual or purported execution of the duties of his office or in relation thereto; or

- 21.1.3 in connection with the activities of the Company as trustee of any occupational pension scheme;

but this Article shall only have effect insofar as its provisions are not avoided by section 232 of the Companies Act.

- 21.2 Without prejudice to the provisions of Article 21.1 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

22 DATA PROTECTION

- 22.1 Each of the Shareholders consents to the processing of his her or its personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 22.2 The personal data that may be processed for such purposes under this Article 22 shall include any information which may have a bearing on the prudence or commercial merits of investing in the Company or on Exit Event. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- 22.2.1 (in the case of a corporate Shareholder) a member of the same corporate group as the Recipient; and
 - 22.2.2 employees, directors and professional advisers of that Recipient or any applicable group company referred to in Article 22.2.1 above.
 - 22.2.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a body corporate, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)).
- 22.3 Each of the Shareholders consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.