

**DATED** 5 April 2022

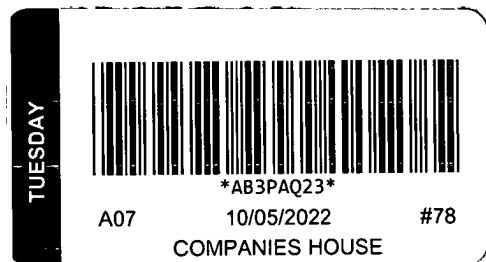
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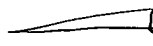
**CONSUMA PAPER PRODUCTS LIMITED**  
(the Company)  
(company number 01576051)

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**ARTICLES OF ASSOCIATION**  
adopted by a special resolution on ..... 5 April ..... 2022

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Company number: 01576051

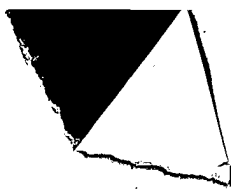
**PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF**

**CONSUMA PAPER PRODUCTS LIMITED**

**1. DEFINITIONS AND INTERPRETATION**

1.1 In these Articles the following definitions will apply:

|                                   |   |
|-----------------------------------|---|
| <b>Act</b>                        | the Companies Act 2006;   |
| <b>acting in concert</b>          | has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;  |
| <b>Adoption Date</b>              | the date of the adoption of these Articles by the Company;  |
| <b>Affiliate</b>                  | any holding company or subsidiary of a Shareholder and any subsidiary of any such holding company in each case for the time being. For the avoidance of doubt, each member of the BAR Group shall be regarded as Affiliates of CHL;   |
| <b>A Share</b>                    | an A ordinary share of £1 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;  |
| <b>B Share</b>                    | a B ordinary share of £1 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;   |
| <b>BAR Group</b>                  | Better All Round Limited and its subsidiaries, holding companies, and subsidiaries of holding companies from time to time;  |
| <b>Business Day</b>               | any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for normal business;  |
| <b>Change of Control</b>          | the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company; |
| <b>CHL</b>                        | Consuma Holdings Limited, a company incorporated and registered in England and Wales with company number 03401941;  |
| <b>CHL Director</b>               | a Director appointed by the holders for the time being of CHL in accordance with article 12.4;  |
| <b>Compulsory Transfer Notice</b> | has the meaning given in article 8;   |
| <b>Deemed Transfer Notice</b>     | means a Transfer Notice deemed to be given under any  |



provision of these articles or the JV Agreement;

**Default Shares**

the Shares held or beneficially owned by a Defaulting Shareholder and/or a Defaulting Northwood Shareholder;

**Defaulting Northwood Shareholder**

has the meaning given in article 8.2;

**Defaulting Shareholder**

has the meaning given in article 8.1;

**Director**

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

**Eligible Director**

a Director who would be entitled to vote on the matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to eligible directors in article 8 of the Model Articles shall be construed accordingly;

**Encumbrance**

a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, right of set-off, third-party right or interest, assignment by way of security, other encumbrance or security interest of any kind or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect howsoever arising (but excluding any such rights or arrangements arising under these Articles or the JV Agreement);

**Event of Default**

the occurrence of any of the following events in relation to a Shareholder:

- (a) an Insolvency Event occurring in relation to the Defaulting Shareholder;
- (b) the Defaulting Shareholder or the ultimate holding company of that Defaulting Shareholder ceasing to be within the control (as defined in section 1124 Corporation Tax Act 2010) of the person(s) who controlled it on the Adoption Date or, if later, the date on which the Defaulting Shareholder became a Shareholder, provided that this paragraph (b) shall not apply if the Defaulting Shareholder continues to be controlled (as above) by the person(s) who had ultimate control of the Defaulting Shareholder or holding company (as the case may be) at that date; or
- (c) the Defaulting Shareholder or any Director appointed by the Defaulting Shareholder in accordance with article 12.4 materially breaching any provision of these Articles or the JV Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of the Remaining Shareholders within 10 Business Days of a notice from the Remaining Shareholders to the Defaulting Shareholder requesting such remedy;

- Expert Accountant** has the meaning given in article 23;
- Family Trust** a trust under which the only persons being (or capable of being) beneficiaries are:
- (a) the settlor (being a Shareholder); and/or
  - (b) the family members of that settlor; and;
  - (c) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income from that settled property when the trust is created but may become so interested if there are no other beneficiaries for the time being except other charities),
- and under which no power of control over the voting powers conferred by any Share is exercisable at any time by, or subject to the consent of, any person other than the trustees, the settlor or the family members of that settlor. For the purposes of this definition:
- (i) settlor shall include a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased Shareholder (as the case may be); and
  - (ii) family member shall include the widow or widower of the settlor or the surviving civil partner of such settlor at the date of his death;
- Insolvency Event** in relation to any Shareholder, each and any of the following events:
- (a) an order being made or a resolution being passed for the winding up of that Shareholder or an Affiliate of that Shareholder, or for the appointment of a provisional liquidator to that Shareholder or an Affiliate of that Shareholder (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction in which an Affiliate of that Shareholder assumes all the obligations of that Shareholder);
  - (b) a petition being presented for the winding up of that Shareholder or an Affiliate of that Shareholder, which petition is not withdrawn or dismissed within 10 Business Days of being presented;
  - (c) an administration order being made in respect of that Shareholder or an Affiliate of that Shareholder, or a notice of intention to appoint an administrator, or a notice of appointment of an administrator or an application for an administration order being issued at court in respect of that Shareholder or an Affiliate of

that Shareholder;

- (d) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the undertaking or assets of that Shareholder or an Affiliate of that Shareholder, or any other steps being taken to enforce any Encumbrance over all or any material part of the assets and/or undertaking of that Shareholder or an Affiliate of that Shareholder or any Shares held by that Shareholder;
- (e) any proceedings or orders equivalent or analogous to any of those described in paragraphs (a) to (d) above occurring in respect of that Shareholder or an Affiliate of that Shareholder under the law of any jurisdiction outside England and Wales;
- (f) that Shareholder or an Affiliate of that Shareholder circulating a proposal in relation to, or entering into, any composition or arrangement with its creditors;
- (g) that Shareholder or an Affiliate of that Shareholder being unable to pay its debts as they fall due within the meaning of section 123 Insolvency Act 1986; and
- (h) that Shareholder ceasing or threatening to cease to carry on its business or a substantial proportion of its business;
- (i) that Shareholder is or is deemed for the purpose of any law or it admits to be unable to pay its debts or to be insolvent;
- (j) any steps are taken in relation to making that Shareholder bankrupt including but not limited to the presentation of a bankruptcy petition against that Shareholder;
- (k) that Shareholder proposes any form of arrangement with any of its creditors;
- (l) a third party becomes entitled to appoint a receiver over all of any of that Shareholder's assets or a holder of qualifying floating charge over the assets of that Shareholder becomes entitled to appoint an administrative receiver;
- (m) any possession or control being taken of, or any execution, sequestration, attachment or other such process being levied or enforced on or sued against any of that Shareholder's assets;
- (n) that Shareholder ceases to exist for any

reason; or

- (o) any proceedings or orders equivalent or analogous to any of those described in paragraphs (i) to (n) above occurring in respect of that Shareholder under the law of any jurisdiction outside England and Wales.

|                               |   |
|-------------------------------|---|
| <b>JV Agreement</b>           | the joint venture agreement relating to the Company dated on the Adoption Date and made between the Company and the Shareholders on that date;  |
| <b>Majority</b>               | the holder(s) for the time being of not less than 50% of the A Shares;  |
| <b>Model Articles</b>         | the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date; |
| <b>Northwood Director</b>     | a Director appointed by the Northwood Shareholders in accordance with article 12.3;   |
| <b>Northwood Shareholders</b> | Paul Fecher, Marc Fecher, Adam Fecher and Paul King;  |
| <b>Permitted Transferee</b>   | a person to whom Shares have been transferred under article 6;  |
| <b>Relevant Securities</b>    | any Shares, or any right to subscribe for or convert any securities into any Shares;  |
| <b>Restricted Business</b>    | has the meaning given to it in JV Agreement;  |
| <b>Share</b>                  | any share of any class in the capital of the Company for the time being;  |
| <b>Shareholder</b>            | a registered holder for the time being of an issued Share, as recorded in the register of members of the Company;   |
| <b>Third Party Purchaser</b>  | any person who is not a party to the JV Agreement for the time being or a person connected with such a party; and   |
| <b>Transfer Notice</b>        | a notice in accordance with article 7 that a Shareholder wishes to transfer his Shares.   |

1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.

1.3 In these Articles a reference to:

- 1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;
- 1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);

- 1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
  - 1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form other than fax;
  - 1.3.5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
  - 1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 All consents or approvals to be given by any Shareholder in respect of any provision of these Articles must be given in writing.
  - 1.5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
  - 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
  - 1.7 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
  - 1.8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
  - 1.9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party.

## 2. RIGHTS ATTACHING TO SHARES

- 2.1 The shares of each class of Share shall entitle the holders of those Shares to the respective rights and obligations set out in these Articles. Save as provided otherwise in these Articles, the A Shares and the B Shares shall confer the same rights upon the holders of those Shares.
- 2.2 The rights attaching to the Shares are as follows:
  - 2.2.1 **Income**

Any profits available for distribution and resolved to be distributed in respect of any accounting period of the Company shall be distributed amongst the Shareholders pro rata according to the number of Shares held by each of them respectively, as if the same constituted one class of share.
  - 2.2.2 **Capital**

On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares), any surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the Shareholders pro rata according to the number of Shares held by each of them respectively, as if the same constituted one class of share.
  - 2.2.3 **Voting**
    - (a) Subject to articles 8.3.2 and 12.6, and the provisions of the Act, at a general meeting of the Company on a show of hands every Shareholder who (being an individual) is present in person or by proxy, or (being a corporation) is present by a representative duly authorised under section



323 of the Act, shall have one vote and on a poll every Shareholder present in person, by representative or by proxy shall have one vote for every Share of which it is the holder. On a written resolution every Shareholder shall have one vote for each Share of which it is the holder.

- (b) Each of the holders of A Shares shall exercise his voting rights in relation to any A Shares held by him in accordance with the directions of a Majority.

### 3. VARIATION OF CLASS RIGHTS

- 3.1 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares or with the consent in writing from the holder of at least three-quarters in nominal value of the issued Shares of that class. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Share, all the provisions of these Articles as to general meetings of the Company shall apply (*mutatis mutandis*) except that the necessary quorum for such a meeting shall be one holder of the relevant class, present either in person, by proxy or by duly appointed corporate representative (and for this purpose one such person may constitute a meeting).

### 4. ISSUE OF SHARES

- 4.1 The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 4.1 shall:

- 4.1.1 be limited to a maximum amount in nominal value of £20,000,000;
- 4.1.2 only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the Shareholders; and
- 4.1.3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.

- 4.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.

- 4.3 Unless otherwise agreed by special resolution or otherwise provided by these articles or the JV Agreement, if the Company proposes to allot any equity securities, those equity securities may not be allotted to any person unless the Company has first offered them to each holder of ordinary shares on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons in proportion to the nominal value of the shares held by those holders (as nearly as possible without involving fractions). The offer must:

- 4.3.1 be in writing and state a period to be decided by the Directors, during which the offer will be open for acceptance, which must not be shorter than 3 Business Days and must give details of the number and subscription price of the relevant equity securities; and
- 4.3.2 stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled must, in his acceptance, state the maximum number of excess equity securities (**excess securities**) for which he wishes to subscribe.

- 4.4 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 4.3 must:

- 4.4.1 first, be used for satisfying any requests for excess securities made pursuant to article 4.3; and
- 4.4.2 secondly, to the extent excess securities remain, those remaining securities will be allocated to any applicant whose application for excess securities has not been satisfied, by repeating the allocation process at 4.4.1 until either all

requests for excess securities have been satisfied, or no excess securities remain.

- 4.5 After any allotments required to be made pursuant to article 4.4 have been made, any excess securities remaining may be offered to any person as the directors may decide, at the same or no more favourable price and on the same or no more favourable terms as the offer to the shareholders pursuant to article 4.3..
- 4.6 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the JV Agreement unless that person has entered into a deed of adherence to, and in the form required by, the JV Agreement.
- 4.7 Where any Share is issued to a Northwood Shareholder holding Shares, such new Share shall, if so required by the Directors, on and from the time of registration of the allotment of that Share in the register of members of the Company, be immediately and automatically (without resolution of the Shareholders or Directors) redesignated as a Share of the same class as the Shares already held by such Shareholder.

## 5. **TRANSFER OF SHARES - GENERAL**

- 5.1 Subject to article 5.2, the Directors shall forthwith register any duly stamped transfer made in accordance with, or permitted by, these Articles and the Directors shall not register any transfer of Shares which is not so made or permitted. Article 26(5) of the Model Articles shall not apply to the Company.
- 5.2 No transfer, other than one made under article 8.7, shall be registered unless the relevant transferee, if not already a party to the JV Agreement, has entered into a deed of adherence to, and in the form required by, the JV Agreement.
- 5.3 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from all Encumbrances.
- 5.4 Notwithstanding any other provision of these Articles, no transfer of any Share which is the subject of a Transfer Notice or a Compulsory Transfer Notice shall be permitted pursuant to article 5.5. Where any Share is transferred to a Northwood Shareholder, such Share shall, if so requested by the Directors, on and from the time of registration of the transfer of that share in the register of members of the Company, be immediately and automatically (without resolution of the Shareholders or Directors) redesignated as a Share of the same class as the Shares already held by such Shareholder.
- 5.5 If a Shareholder at any time commits a breach of this article in relation to any Share, the purported transfer will be void and (except in the case of the Company transferring treasury shares) the Shareholder will be deemed immediately before that breach to have given a Transfer Notice in respect of that share and must comply with the provisions of article 7 (pre-emption on transfer of shares).
- 5.6 If a Shareholder becomes aware of any event which gives rise to an obligation to transfer shares, to serve a Transfer Notice or a Transfer Notice being deemed to be given, he must promptly give written notice of that event to the other shareholder(s). A Deemed Transfer Notice will be deemed to be received by another shareholder on the date on which the other shareholder actually becomes aware of the event giving rise to the deemed transfer having occurred.
- 5.7 If any person (for the purpose of this article the **transferor**) gives or is deemed to give a Transfer Notice or is otherwise required to transfer shares under these articles and fails or refuses to transfer its shares as required by these articles, any person appointed by the Directors for the purpose will be irrevocably authorised as agent with full power in the name of (and on behalf of) the transferor to execute and deliver the necessary transfers to the relevant transferee and to do anything including to execute any other documents necessary for that transferor to comply with the terms of these articles. That authority is given as security for performance of the transferor's obligations. The Company may receive and must hold the consideration for the shares in trust for the transferor pending delivery of his share certificates for cancellation (or an indemnity in respect of those certificates reasonably satisfactory to the company). Against receipt of the consideration for the shares (and

subject to payment of any stamp duty) the Company must register the transferee in accordance with these articles as the holder of those shares. The Company will have no liability to pay or account for interest on any consideration which is cash or on any amount received in relation to any consideration. The receipt of the Company for the consideration will be a good discharge to the buyer (who need not see to the application of it). On registration of a transfer in exercise of these powers, the validity of the proceedings may not be questioned by any person.

- 5.8 An obligation to transfer a share under these articles is an obligation to transfer the entire legal and beneficial interest in that share free from any lien, charge or other encumbrance.

## 6. PERMITTED TRANSFERS

### 6.1 Transfer with consent

Any Shares may be transferred at any time with the prior written consent of all the Shareholders or in accordance with the terms of the JV Agreement.

### 6.2 Transfer to a Northwood Shareholder

Any Shares may be transferred at any time from a Northwood Shareholder to another Northwood Shareholder.

### 6.3 Transfers to Family Members

Any Shareholder who is a natural person may at any time transfer any Shares held by them to their spouse or civil partner and their children (including step and adopted children) for the time being.

### 6.4 Transfers to Family Trusts

Any Shareholder who is a natural person may at any time transfer any of the Shares held by them to one or more trustees to be held on a Family Trust.

### 6.5 Transfer to Group Member

Any Shareholder may at any time transfer its shares to a company in the BAR Group.

- 6.6 Where a Shareholder holds shares (including any shares derived from shares originally transferred) by reason of one or more permitted transfers under this article (in this article **Permitted Transfer Shares**), that Shareholder must by no later than 5 Business Days of the Shareholder ceasing to be a member of the same group or family (as the case may be) as the original transferor (the **Permitted Transfer Group**), transfer the shares to the original transferor or another member of the same group or family (as the case may be), in either case which is not then subject to a Compulsory Transfer Notice. If the Shareholder does not do so by that date, it will be deemed to have immediately given a Transfer Notice in respect of all the Permitted Transfer Shares and the Permitted Transfer Shares shall be transferred to the original transferor or another member of the same group or family (as the case may be), in either case which is not then subject to a Compulsory Transfer Notice, without being subject to the pre-emption rights under article 7.

## 7. PRE-EMPTION ON TRANSFER OF SHARES

- 7.1 Except as permitted under article 5.5 (Permitted transfers) or as provided for in articles 8 (Compulsory transfers) and 9 (Drag along) and 10 (Tag along) and the JV Agreement, any Shareholder (the **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the other Shareholders (the **Buyer**) of his wish.

- 7.2 A Transfer Notice shall:

- 7.2.1 state the name of the person to whom the Seller wishes to transfer its Shares;
- 7.2.2 state the price per Share (the **Proposed Price**) at which the Seller wishes to transfer its Shares, together with the other payment terms and conditions; and
- 7.2.3 not be capable of variation or cancellation without the consent of the Buyer.

- 7.3 If, within 20 Business Days of the date of service of the Transfer Notice on the Buyer, the Buyer gives written notice (a **Purchase Notice**) to the Seller that it wishes to buy all the

Seller's Shares, the Buyer will have the right to do so at the Proposed Price. Upon service of a Purchase Notice by the Buyer, the Seller and the Buyer shall be respectively bound to sell and buy the Seller's Shares at the Proposed Price.

7.4 If:

7.4.1 at the expiry of the period set out in article 7.3, the Buyer has not served a Purchase Notice; or

7.4.2 the Buyer, having served a Purchase Notice, fails to complete the acquisition of the Seller's Shares within a period of 20 Business Days from the date of service of such Purchase Notice (other than where such failure is due to any default, act or omission on the part of the Seller),

then the Seller may, at any time within 3 calendar months of the expiry of the relevant period referred to in article 7.4.1 or 7.4.2 (as the case may be), transfer all (but not some) of its Shares to the purchaser named in the Transfer Notice at not less than the Proposed Price provided that the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 10 (Tag along) until such time as that offer has been made and, if accepted, completed.

7.5 If, following service of a Purchase Notice, the Seller shall fail for any reason to transfer any Shares to the Buyer within 10 Business Days of the date of service of the Purchase Notice (other than where the Buyer has failed to pay the Proposed Price for the Seller's Shares to the Seller within such period), each Director is given an irrevocable power of attorney by each Shareholder (by way of security for the performance of its obligations under article 7.3) to execute any necessary transfer on behalf of the Seller and to deliver that transfer to the Buyer. The Company may receive the purchase money from the Buyer on behalf of the Seller and the receipt of the Company for such money shall constitute a good discharge to the Buyer. The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until it has delivered the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors) to the Company.

7.6 Except as otherwise provided in these articles or in the JV Agreement, the Proposed Price will be determined as follows:

7.6.1 in the case of a Transfer Notice containing a price, the price specified by the transferor in the Transfer Notice; or

7.6.2 in the case of a Deemed Transfer Notice or where a price is not specified, the price will be the price set out in article 8.6, if an Event of Default occurs, or, in any other case, agreed in writing between the proposing transferor and the respective buyer/transferee. In the absence of such agreement within 15 Business Days after the Transfer Notice is served or Directors' notice of a deemed transfer is given to the proposing transferor, the Proposed Price will be a sum equal to the fair value of the transfer shares to be determined the Expert Accountant appointed by the Shareholders under article 23.

## 8. COMPULSORY TRANSFERS

8.1 If an Event of Default occurs in relation to CHL (in this article 8, the **Defaulting Shareholder**) then the Northwood Shareholders may, without prejudice to any other rights or remedies which it may have, at any time within 20 Business Days of becoming aware of the relevant Event of Default serve written notice (a **Compulsory Transfer Notice**) on the Defaulting Shareholder and the Company requiring that the Defaulting Shareholder sell, or procure the sale of, all (but not some) of the Default Shares.

8.2 If:

8.2.1 an Insolvency Event occurs in relation to a Northwood Shareholder (in this article 8, the **Defaulting Northwood Shareholder**), then the other Northwood Shareholders may, without prejudice to any other rights or remedies which it may have, at any time within 20 Business Days of becoming aware of the relevant Insolvency Event serve a Compulsory Transfer Notice on the Defaulting Northwood Shareholder and the Company requiring that the

- Defaulting Northwood Shareholder sell, or procure the sale of, all (but not some) of the Default Shares; and
- 8.2.2 limb (c) of the definition of Event of Default occurs in relation to a Northwood Shareholder, such Northwood Shareholder shall be deemed to be a Defaulting Northwood Shareholder and the Remaining Shareholders may, without prejudice to any other rights or remedies which it may have, at any time within 20 Business Days of becoming aware of the relevant event a Compulsory Transfer Notice on the Defaulting Northwood Shareholder and the Company requiring that the Defaulting Northwood Shareholder sell, or procure the sale of, all (but not some) of the Default Shares.
- 8.3 Upon the service of a Compulsory Transfer Notice:
- 8.3.1 no further Shares shall be issued or required to be offered (under any provision of the Articles) to the Defaulting Shareholder and/or the Defaulting Northwood Shareholder;
- 8.3.2 the Defaulting Shareholder and/or the Defaulting Northwood Shareholder (or its nominee, as the case may be) shall cease to be required in order to form a quorum at meetings of Shareholders or to be entitled to exercise any voting rights in respect of the Default Shares;
- 8.3.3 any Director appointed by the Defaulting Shareholder and/or the Defaulting Northwood Shareholder shall cease to be required in order to form a quorum at any Board meeting to be entitled to exercise any vote at a meeting of the Board; and
- 8.3.4 save as set out in this article 8, a Defaulting Shareholder and/or the Defaulting Northwood Shareholder may not sell or dispose of any of the Default Shares or any interest in any of the Default Shares.
- 8.4 If no Compulsory Transfer Notice is served within the period of 20 Business Days referred to in article 8.1, the relevant Event of Default is deemed to have lapsed.
- 8.5 If a Shareholder becomes aware of any event which gives rise to, or which may with the passing of time give rise to, an Event of Default in respect of a Shareholder, that Shareholder shall forthwith give notice of such event to the Directors and the other Shareholders.
- 8.6 Following service of a Compulsory Transfer Notice, the Defaulting Shareholder and/or the Defaulting Northwood Shareholder shall be bound to complete the sale and purchase of the Default Shares within 20 Business Days for the fair market value of the Default Shares to be agreed between the parties, failing which the matter shall be referred for determination to an independent expert accountant. The timing for completion of the sale and purchase of the Default Shares shall be as determined by the Board.
- 8.7 If:
- 8.7.1 the Defaulting Shareholder shall fail for any reason to transfer any Default Shares to the Remaining Shareholders when required by this article, the Directors may (and will if requested to do so by the Remaining Shareholders) authorise and instruct any Director to execute any necessary transfer on behalf of the Defaulting Shareholder and to deliver that transfer to the Remaining Shareholders; and/or
- 8.7.2 the Defaulting Northwood Shareholder shall fail for any reason to transfer any Default Shares to the other Northwood Shareholders when required by this article, the Northwood Directors may authorise and instruct any Northwood Director to execute any necessary transfer on behalf of the Defaulting Northwood Shareholder and to deliver that transfer to the other Northwood Shareholders.
- 8.8 The Company may receive the purchase money from the Remaining Shareholders and/or the other Northwood Shareholders (as the case may be) on behalf of the Defaulting Shareholder and/or the Defaulting Northwood Shareholder and the receipt of the Company

for such money shall constitute a good discharge to the Remaining Shareholders and/or the other Northwood Shareholders. The Company shall hold the relevant purchase money on trust for the Defaulting Shareholder and/or the Defaulting Northwood Shareholder (but without interest) and the Company shall not pay such money to the Defaulting Shareholder and/ or the Defaulting Northwood Shareholder until he has delivered the share certificate(s) in respect of the relevant Default Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors) to the Company.

## 9. DRAG ALONG

- 9.1 Subject to article 9.2, if the holders of not less than 51% of the Shares (together the **Selling Shareholders**) wish to transfer all their Shares to a Third Party Purchaser, they shall have the option (a **Drag Along Option**) to require all of the other Shareholders (the **Continuing Shareholders**) to transfer all their Shares with full title guarantee to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this article 9.
- 9.2 A Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served in accordance with article 8 may not exercise (or join in exercising) the Drag Along Option under this article 9.
- 9.3 The Selling Shareholders shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Continuing Shareholders at any time before the registration of the transfer of the Selling Shareholders' Shares. A Drag Along Notice shall specify:
- 9.3.1 that the Continuing Shareholders are required to transfer all their Shares (the **Continuing Shares**) pursuant to this article 9;
  - 9.3.2 the identity of the Third Party Purchaser;
  - 9.3.3 the consideration for which, or the price at which, the Continuing Shares are to be transferred, determined in accordance with article 9.5 (the **Drag Along Consideration**); and
  - 9.3.4 the proposed date of transfer (if known).
- 9.4 A Drag Along Notice may be revoked by the Selling Shareholders at any time prior to the completion of the sale and purchase of the Continuing Shares.
- 9.5 The Drag Along Consideration shall be the same consideration per Continuing Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Share held by the Selling Shareholders together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the 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 consideration given in respect of the Shares held by those Selling Shareholders.
- 9.6 If the Drag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Continuing Shares within 10 Business Days of the date of service of the Drag Along Notice, such matter shall be referred for determination to the Expert Accountant (in accordance with article 23) and, pending their determination, the sale or transfer of the Selling Shareholders' Shares shall have no effect and shall not be registered.
- 9.7 Upon the service of a Drag Along Notice each Continuing Shareholder is required, as a legally binding commitment, not to divulge or communicate to any third party either the fact that the Selling Shareholders wish to transfer their Shares to a Third Party Purchaser or any other information concerning the sale and purchase of any of the Selling Shareholders' Shares or the Continuing Shares pursuant to this article 9.
- 9.8 Completion of the sale and purchase of the Continuing Shares shall take place on the same date as completion of the sale and purchase of the Selling Shareholders' Shares (unless the Directors and all of the Continuing Shareholders shall agree otherwise).
- 9.9 Upon the service of a Drag Along Notice each Continuing Shareholder shall be deemed to have irrevocably appointed each of the Selling Shareholders (severally) as the agent of the Continuing Shareholder to execute, in the name of and on behalf of that Continuing

Shareholder, any stock transfer form and covenant for full title guarantee in respect of the Continuing Shares registered in the name of that Continuing Shareholder and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Continuing Shares pursuant to this article 9.

- 9.10 The provisions of this article 9 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption on transfer of Shares contained in article 7 shall not apply to the transfer of any Shares to a Third Party Purchaser named in a Drag Along Notice (or as that Third Party Purchaser may direct). Any Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 7 shall automatically be revoked by the service of a Drag Along Notice.
- 9.11 Upon any person (a **New Shareholder**) becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Shareholder. Upon the deemed service of a Drag Along Notice pursuant to this article 9.11 the New Shareholder shall become bound to sell and transfer to the Third Party Purchaser (or as the Third Party Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 9 shall apply mutatis mutandis to the sale of any such Shares by such New Shareholder provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 9.11.1 the date on which a Drag Along Notice is deemed to have been served on the New Shareholder pursuant to this article 9.11; and
- 9.11.2 the date of completion of the sale and purchase of the Continuing Shares pursuant to the original Drag Along Notice.

## 10. TAG ALONG

- 10.1 Save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 5.5, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration the relevant Third Party Purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 10, from all the Shareholders other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with articles 10.3 and 10.4.
- 10.2 A Tag Along Notice shall:
- 10.2.1 state the Tag Along Consideration (subject to article 10.4);
- 10.2.2 state the identity of the Third Party Purchaser;
- 10.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and
- 10.2.4 subject to article 10.4.1, expire, and the offer made in the Tag Along Notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 5 nor more than 20 Business Days after the date of service of the Tag Along Notice) specified in the Tag Along Notice.
- 10.3 For the purposes of this article 10 the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.

10.4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Uncommitted Shares within 10 Business Days of the date of service of the Tag Along Notice, such matter shall be referred, at the request of any Shareholder, to the Expert Accountant and, pending their determination:

10.4.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Expert Accountant's determination of the Tag Along Consideration is served on the Third Party Purchaser and the Shareholders holding Uncommitted Shares; and

10.4.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.

## 11. GENERAL MEETINGS

11.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Subject to article 11.2, two Shareholders, of whom one shall be a Northwood Shareholder and the other shall be CHL, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum.

11.2 Any Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served pursuant to article 8, shall not be required in order to form a quorum at any general meeting.

11.3 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved".

11.4 The chairman of the board of Directors for the time being shall chair general meetings. If the chairman is unable to attend any general meeting, the Shareholder that appointed him shall be entitled to nominate another Director appointed by it. Article 39 of the Model Articles shall not apply to the Company.

11.5 A poll may be demanded at any general meeting by:

11.5.1 the chairman; or

11.5.2 by any Shareholder present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution.

Article 44(2) of the Model Articles shall not apply to the Company.

11.6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.".

11.7 Article 45(1) of the Model Articles shall be amended as follows:

11.7.1 by the deletion of the words in Article 45(1)(d) and the insertion of the following in their place: "is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate."; and

11.7.2 by the insertion of the following as a new paragraph at the end of Article 45(1): "and a proxy notice which is not delivered in such manner shall be invalid.".

## 12. APPOINTMENT AND REMOVAL OF DIRECTORS

12.1 The number of Directors (other than alternate directors) shall be eight, comprising four Northwood Directors and four CHL Directors.

12.2 Article 17 of the Model Articles shall not apply to the Company.

12.3 The Northwood Shareholders shall have the right, exercisable from time to time and on more than one occasion to appoint up to four people to be directors of the Company and, from time to time and on more than one occasion, to remove any such person appointed by



- it. Any Director appointed pursuant to this article 12.3 shall be known as a Northwood Director.
- 12.4 CHL shall have the right, exercisable from time to time and on more than one occasion to appoint up to four people to be directors of the Company and, from time to time and on more than one occasion, to remove any such person appointed by it. Any Director appointed pursuant to this article 12.4 shall be known as a **CHL Director**.
- 12.5 Any appointment or removal pursuant to article 12.3 or 12.4 shall be made by notice in writing to the Company. Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 12.6 Subject to section 168 of the Act, on any resolution to remove a Director appointed pursuant to article 12.3 or 12.4 the Shares held by the Shareholder(s) who appointed that Director shall together carry one vote in excess of 50% of all the other votes exercisable in relation to such resolution and if any such Director is removed pursuant to section 168 of the Act (or otherwise) that Shareholder(s) may reappoint him or any other person as a Director.
- 12.7 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director. Article 27(3) of the Model Articles shall be modified accordingly.
13. **APPOINTMENT OF CHAIRMAN**
- 13.1 The chairman of the board of Directors shall be a Northwood Director nominated in writing by the Northwood Shareholders. Article 12 of the Model Articles shall not apply to the Company. The chairman shall have a second or casting vote.
- 13.2 Any appointment or removal of the chairman of the Directors pursuant to article 13.1 shall be made by notice in writing to the Company, signed by or on behalf of the Northwood Shareholders. Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 13.3 If the chairman for the time being is unable to attend any meeting of the Directors then the Northwood Shareholders shall be entitled to nominate another Director to act as chairman of that meeting.
14. **ALTERNATE DIRECTORS**
- 14.1 Any Director (in this article 14, an **appointor**) may appoint any person as an alternate to:
- 14.1.1 exercise that Director's powers; and
- 14.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors in the absence of the alternate's appointor. In these Articles, the term "Northwood Director" or "CHL Director" shall include an alternate appointed by a Northwood Director or a CHL Director (as the case may be).
- 14.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor.
- 14.3 The notice must:
- 14.3.1 identify the proposed alternate; and
- 14.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 14.4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

- 14.5 Save as provided otherwise in these Articles, alternate Directors:
- 14.5.1 are deemed for all purposes to be Directors;
  - 14.5.2 are liable for their own acts and omissions;
  - 14.5.3 are subject to the same restrictions as their appointors; and
  - 14.5.4 are not deemed to be agents of or for their appointors,
- and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.
- 14.6 A person who is an alternate Director but not a Director:
- 14.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
  - 14.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and
  - 14.6.3 shall not be counted as more than one Director for the purposes of articles 14.6.1 and 14.6.2.
- 14.7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.
- 14.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 14.9 The appointment of an alternate Director terminates:
- 14.9.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
  - 14.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
  - 14.9.3 on the death of the alternate's appointor;
  - 14.9.4 when the appointment of the alternate's appointor as a Director terminates; or
  - 14.9.5 when written notice from the alternate, resigning his office, is received by the Company.

15. **PROCEEDINGS OF DIRECTORS**

15.1 **Frequency**

Meetings of the Directors shall be held at intervals of not more than three months.

15.2 **Notice**

15.3 Meetings of the Directors may be convened by any Director by not less than 5 Business Days' notice provided that a meeting of the Directors may be convened by not less than 24 hours' notice if:

- (a) the interests of the Company would, in the opinion of a Shareholder or Director, be likely to be materially and adversely affected if the business to be transacted at that meeting were not dealt with as a matter of urgency; or
- (b) all of the Directors agree in writing; and

- 15.4 Notice of each meeting of the Directors shall be sent to each Director (and any alternate duly appointed in accordance with article 14) at the address and/or email address notified to the Company for this purpose by each such Director or alternate provided that:
- (a) if notice is sent by fax or email, a copy of such notice shall also be sent by post;
  - (b) if a notice is required to be sent outside the United Kingdom, such notice shall be sent by airmail;
  - (c) each notice of a meeting shall be accompanied by a full agenda and supporting papers; and
  - (d) each meeting shall only deal with the business set out in the agenda which accompanied the notice convening that meeting.

Article 9(1) of the Model Articles shall not apply to the Company.

15.5 **Quorum**

15.5.1 Subject to article 15.5.2 two Eligible Directors, of whom one shall be a Northwood Director and one shall be a CHL Director, present either in person or by a duly appointed alternate, shall be a quorum for any meeting of the Directors. No business shall be transacted at any meeting of the Directors unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Article 11(2) of the Model Articles shall not apply to the Company.

15.5.2 Any Director appointed by a Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served pursuant to article 8 shall not be required in order to form a quorum at any meeting of the Directors.

15.6 **Voting**

15.6.1 Subject to article 15.6.2 and save as agreed otherwise in writing by all the Shareholders, all decisions made at any meeting of the Directors (or of any committee of the Directors) shall be made by resolution and any such resolution shall be decided by a majority of votes.

15.6.2 Any Director appointed by a Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served pursuant to article 8 shall not be entitled to exercise any vote at a meeting of the Directors.

15.6.3 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman shall have a casting vote. Article 13 of the Model Articles shall not apply to the Company.

15.7 **Adjournment**

15.7.1 If within 30 minutes of the time appointed for a meeting of the Directors there is no quorum present, the Director(s) present shall adjourn the meeting to a place and time not less than 3 Business Days later and shall procure that notice of such adjourned meeting is given to each Director in accordance with article 15.2. If at such adjourned meeting a quorum is not present within 30 minutes of the time appointed for the adjourned meeting (or such longer period as the chairman may allow), then the meeting shall be dissolved.

15.7.2 If at any time before a meeting of the Directors or at such a meeting itself, all the Northwood Directors or all the CHL Directors request for any reason that such meeting should be adjourned or reconvened at another time or date (being not more than 5 Business Days after the date proposed for the meeting), then such meeting shall be adjourned or reconvened accordingly and no business shall be transacted at such meeting after such a request has been made. No meeting shall be adjourned more than once pursuant to this article 15.7.2.

**15.8 Delegation by Directors**

- 15.8.1 Article 5 of the Model Articles shall be modified so that the Directors may only delegate any of their powers (or revoke or alter the terms and conditions of any such delegation) to a person or committee with the prior written consent of all the Shareholders.
- 15.8.2 Article 6(2) of the Model Articles shall be amended by the insertion of the following words before the word "may": "with the prior written consent of all the Shareholders".
- 15.8.3 The provisions of article 15.5 shall apply to any meeting of a committee of the Directors.

**15.9 Miscellaneous**

Article 16 of the Model Articles shall be amended by the insertion of the following words after the word "may": "with the prior written consent of all the Shareholders."

**16. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

16.1 Subject to sections 177 and 182 of the Act and (where applicable) to any terms and conditions imposed by the Shareholder under article 17.3, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company:

- 16.1.1 may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 16.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
- 16.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
- 16.1.4 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;
- 16.1.5 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
- 16.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

16.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.

**17. DIRECTORS' CONFLICTS OF INTEREST**

17.1 For the purposes of section 175 of the Act, the Shareholders (and not the Directors) shall have the power to authorise, by resolution and in accordance with these Articles, any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a **Conflict**).

- 17.2 The relevant Director shall provide the Shareholders with such details as are necessary for them to decide whether to authorise a Conflict in accordance with article 17.1, together with such further information as may reasonably be requested by a Shareholder (which information shall be provided by the Director to all Shareholders at the same time).
- 17.3 Any authorisation by the Shareholders of a Conflict under this article 17 shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently:
- 17.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
  - 17.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Shareholders may determine; and
  - 17.3.3 be terminated or varied by the Shareholders at any time.
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- 17.4 In authorising a Conflict the Shareholders may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- 17.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or
  - 17.4.2 use or apply any such information in performing his duties as a Director,
- where to do so would amount to a breach of that confidence.
- 17.5 Where the Shareholders authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:
- 17.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
  - 17.5.2 is not given any documents or other information relating to the Conflict; and
  - 17.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- 17.6 Where the Shareholders authorise a Conflict:
- 17.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
  - 17.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Shareholders impose in respect of their authorisation.
- 17.7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in, a Shareholder who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company) and no authorisation under article 17.1 shall be necessary in respect of such interest.
- 17.8 Any Director appointed pursuant to article 12.3 or 12.4 shall be entitled from time to time to disclose to the Shareholder(s) who appointed him such information concerning the business and affairs of the Company as he may, in his absolute discretion, see fit.
- 17.9 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.

18. **DIRECTORS' BENEFITS**

18.1 Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of the Shareholders".

18.2 Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of the Shareholders and".

19. **SECRETARY**

The Directors may, subject to the consent of the Shareholders, appoint any person who is willing to act as the secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.

20. **SERVICE OF DOCUMENTS**

20.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:

20.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;

20.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;

20.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

20.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

20.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 20.1, no account shall be taken of any part of a day that is not a working day.

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

21. **INDEMNITY**

21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

21.1.1 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:

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

(b) in relation to the activities of the Company as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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 affairs of the Company; and

- 21.1.2 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 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 21.2 This article 21 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 21.3 In this article 21 and in article 22 a **relevant officer** means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).
- 21.4 Article 52 of the Model Articles shall not apply to the Company.

## 22. **INSURANCE**

- 22.1 The Directors must purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.
- 22.2 Article 53 of the Model Articles shall not apply to the Company.

## 23. **DISPUTES**

- 23.1 Where these Articles provide for any dispute in relation to a particular matter to be determined by an Expert Accountant pursuant to this article 23, such dispute or matter shall be referred, at the request of any Shareholder or Director, to an independent accountant being a partner in an independent firm of chartered accountants to be appointed (in default of nomination by agreement between the relevant parties within 14 days of either party serving details of a suggested expert on the other party), by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "**Expert Accountant**").
- 23.2 Any firm proposed or nominated to provide an Expert Accountant shall be required to declare in writing any current and past associations of such firm and its proposed Expert Accountant with the Company or any shareholder before appointment to establish their independence.
- 23.3 The person nominated in accordance with this article shall be accepted as the Expert Accountant and the shareholders shall agree the terms of the Expert Accountant's engagement in good faith and shall execute and deliver all documentation necessary to effect the Expert Accountant's engagement, including any letter of engagement to be entered into with the Expert Accountant or the Expert Accountant's firm.
- 23.4 If the terms of appointment of the Expert Accountant are not agreed on or before the date falling ten Business Days after: (i) the date on which such Expert Accountant is nominated or, (if later); (ii) the date the proposed terms of engagement are received by the Company, then (provided that the Expert Accountant has signed such terms) that Expert Accountant shall be validly appointed by the Company if the Company has (at the end of such ten Business Day period) signed the terms of engagement with that firm or by the relevant selling shareholder if the relevant selling shareholder has (at the end of such ten Business Day period) signed the terms of engagement with that firm, and in such circumstances the appointment and the terms of engagement of the Expert Accountant shall be binding on: (i) the Expert Accountant; (ii) the Company; and (iii) the relevant selling shareholder.
- 23.5 The Expert Accountant is required to prepare a written decision including reasons and give notice (including a copy) of the decision to the parties within a maximum of three months of the matter being referred to the Expert Accountant.
- 23.6 The parties are entitled to make submissions to the Expert Accountant, including oral submissions and will provide (or procure that others provide) the Expert Accountant with such assistance and documents as the Expert Accountant reasonably requires for the purpose of reaching a decision.

- 23.7 To the extent not provided for by this paragraph, the Expert Accountant may in their reasonable discretion determine such other procedures to assist with the conduct of the determination as they consider just or appropriate including (to the extent considered necessary) instructing professional advisers to assist them in reaching their determination.
- 23.8 Each party shall with reasonable promptness supply each other with all information and give each other access to all documentation and personnel and/or things as the other party may reasonably require to make a submission under this paragraph.
- 23.9 Save in the case of fraud or manifest error, the decision by the Expert Accountant shall be final and binding on all concerned and shall be given by the Expert Accountant acting as an expert and not as an arbitrator.
- 23.10 The costs of the Expert Accountant (including his expenses and the costs of any advisers to the Expert Accountant) shall be borne by the Company and the relevant selling shareholder in such proportions as the Expert Accountant shall determine in his absolute discretion (or, in the absence of any such determination, 50 per cent by the Company and 50 per cent by the relevant selling shareholder).
- 23.11 All matters concerning the process and result of the determination by the Expert Accountant shall be kept confidential among the parties and the Expert Accountant.

24. **PURCHASE OF OWN SHARES OUT OF CASH**

Subject to the consent of the Shareholders, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

25. **OVERRIDING PROVISIONS**

- 25.1 Notwithstanding the provisions of these articles, the directors must, so far as may be permitted by law, act in all respects in accordance with and give effect to JV Agreement.
- 25.2 Where the consent, approval or agreement of any Shareholder is required under any provision of these articles to any particular matter, that consent, approval or agreement:
- 25.2.1 may be given subject to such terms and conditions as that Shareholder may impose and any breach of those terms and conditions will be deemed to be a breach of these articles;
- 25.2.2 must be in writing, in English, and given in accordance with these articles or the JV Agreement.

26. **MISCELLANEOUS**

Articles 36, 43, 50 and 51 of the Model Articles shall not apply to the Company.