

Company No 02484251

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

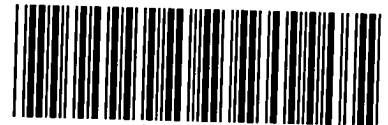
of

ABBEY LOGISTICS GROUP LIMITED

Incorporated 22 March 1990

(Adopted by special resolution on 25 June 2020)

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Company No 02484251

ARTICLES OF ASSOCIATION
of
ABBEY LOGISTICS GROUP LIMITED
(the "Company")

Incorporated 22 March 1990

(Adopted by written resolution passed on 25 June 2020)

1. MODEL ARTICLES

- 1.1 The Model Articles apply to the Company except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles and, subject to any such modifications, exclusions or inconsistencies, will together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 1.2 Notwithstanding the generality of Article 1.1, Articles 7, 8, 14, 23, 38 and 48 of the Model Articles shall not apply to the Company.

2. INTERPRETATION

2.1 In these Articles:-

"Act"	means the Companies Act 2006
"Alternate" or "Alternate Director"	has the meaning given in Article 10
"Appointor"	has the meaning in Article 10
"Articles"	means these articles of association
"Associate"	has the meaning given in the Topco Articles
"Bank"	HSBC Bank Plc
"Bank Enforcement"	means the security granted by the Group in favour of the Bank becoming enforceable and the Bank notifying the Group that it is taking steps to enforce or require the enforcement of that security in accordance with the terms of the Facilities Agreement and other associated finance documents
"Call Notice"	has the meaning given to it in Article 4.6.1
"Call Option"	means the call option right of the Parent as defined in Article 4.3, the terms of which are set out in Article 4

"Cessation Date"	the date on which the relevant person becomes a Leaver provided always that where a Leaver who is an employee of or consultant to a Group Company ceases to be an employee or consultant in circumstances where a notice has been served either by him on a Group Company or by a Group Company on him (as the case may be), terminating his employment or consultancy (or shall cease to be an employee or consultant upon expiration of such notice) then, if an Investor Majority so notifies the Company in writing, the Cessation Date shall be deemed to be the date of service of such notice (or such later date during the relevant notice period as an Investor Majority shall specify in its notice to the Company)
"Director"	means a director of the Company, and includes any person occupying the position of director, by whatever name called and "Directors" shall mean all directors of the Company or the quorum of Directors present at a meeting of such directors
"Eligible Director"	means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of a particular matter)
"Exit"	has the meaning given in the Topco Articles
"Facilities Agreement"	has the meaning given in the Topco Articles
"G Ordinary Shares"	means the G ordinary shares of £0.01 each
"Group or Group Company"	has the meaning given in the Topco Articles
"Growth Share Price"	means the price per G Ordinary Share to be paid by the Parent to the holders of G Ordinary Shares on an Exit in accordance with Article 4
"Investors"	has the meaning given in the Topco Articles
"Investors Approval"	has the meaning given in the Topco Articles
"Investor Future Funding"	means any debt capital provided by any of the Investors (or any of them) to any Group Company following the date of these Articles
"Investor Majority"	has the meaning given in the Topco Articles
"Issue Price"	in relation to a G Ordinary Share, the amount paid up or credited as paid up on such Share, including the full amount of any premium at which such share was issued
"Leaver"	any person who is: <ul style="list-style-type: none">(a) a director (not being an Investor Director) or an employee of or consultant to any Group Company and who ceases (for whatever reason) to be such a director or employee or consultant (or who has served notice on a Group Company or a Group Company has served notice on him terminating his employment or consultancy (as the case may be)); or(b) an employee of a Group Company who remains employed but becomes due to illness of disablement causing permanent incapacity to receive benefits under

the permanent health insurance scheme of the Company or any other Group Company,

and, in each such case, such person and/or any Associate of such person is the holder of G Ordinary Shares

"Listing"	has the meaning given in the Topco Articles
"Loan Notes"	means the loan notes issued by the Parent or any other Group Company totalling £31,141,848 but excluding any such loan notes issued in respect of an Investor Future Funding
"Model Articles"	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of adoption of these Articles
"Net Debt"	means the aggregate of all amounts paid or to be paid or assumed or to be assumed by a purchaser or any person connected with a purchaser (whether for or on behalf of any person) on an Exit in connection with any bank debt or other third party debt or borrowings of all Group Companies or debt incurred in respect of any Investor Future Funding but excluding, for the avoidance of doubt, any amounts outstanding and owed (including any unpaid interest whether received or otherwise) under the Loan Notes at the time of such Exit
"Option"	means either a Put Option or Call Option
"Option Completion"	means completion of the sale and purchase of the Option Shares in accordance with Articles 4.7 to 4.10
"Option Completion Date"	has the meaning given to it in Article 4.8
"Option Sale Agreement"	has the meaning given to it in Article 4.9
"Option Holders' Representatives"	together, Steve Granite and Matthew Male or such other persons as notified to the Company and Investors in writing by the holders of more than 50% of the G Ordinary Shares as being or not being an 'Option Holders' Representative'
"Option Shares"	means all the G Ordinary Shares held by any Shareholder on the date that the Put Notice or Call Notice is served
"Parent"	means Axle Bidco Limited (number 10223811)
"Proposed Option Completion Date"	means the likely completion date of a Proposed Exit as set out in the relevant Proposed Exit Notice or such later date as may be agreed in writing between the Option Holders' Representatives and an Investor Majority
"Proposed Exit"	means a proposed Exit as notified by the Investors to the Option Holders' Representatives in accordance with Article 4.5
"Proposed Exit Date"	shall have the meaning given to it in Article 4.5.1
"Put Notice"	has the meaning given to it in Article 4.6.1
"Put Option"	means the put option right attached to the G Ordinary Shares as defined in Article 4.1, the terms of which are set out in Article 4

"Relevant Percentage"	means $RV2 \text{ Percentage} + ((RV - RV2)/(RV3 - RV2) \times (RV3 \text{ Percentage} - RV2 \text{ Percentage}))$
"Residual Value" or "RV"	means the enterprise value of the Group on an Exit less Net Debt (plus free cash)
"RV1"	means £10,869,443
"RV2"	means £11,999,999
"RV2 Percentage"	means 11.2488439537%
"RV3"	means £34,841,848
"RV3 Percentage"	means 11.2488442573%
"RVT"	means £1,949,580
"Sale"	has the meaning given in the Topco Articles
"Shareholder"	means a person who is the holder of a Share
"Shares"	means shares in the Company
"Topco Articles"	means the articles of association adopted by Axle Topco Limited (number 10223517) as at the date of these Articles as such Topco Articles may be amended, varied or superceded from time to time
"Total Growth Shares"	means the total number of G Ordinary Shares in issue at the time of an Exit
"Transfer Notice"	means a notice deemed to be served in accordance with Article 6.2.1 to 6.2.3 (inclusive)
2.2	References in these Articles to a document includes, unless otherwise specified any document sent or supplied in electronic form.
2.3	References in these Articles to "writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
2.4	References in these Articles to Shares being "paid" means those Shares being paid or credited as paid.
2.5	Unless the context otherwise requires:-
2.5.1	words importing the singular include the plural and vice versa;
2.5.2	words importing any gender include all other genders; and
2.5.3	words importing natural persons include corporations.
2.6	Unless the context otherwise requires, words or expressions contained in these Articles which are defined in the Model Articles have the same meaning as in the Model Articles, subject to which and unless the context otherwise requires, words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles.
2.7	A reference to an article by number is to the relevant article of these Articles.

2.8 Headings used in these Articles shall not affect their construction or interpretation.

3. **SHARE RIGHTS**

3.1 Except as expressly provided otherwise in these Articles the G Ordinary Shares shall have no voting rights or rights to receive any notice of any meetings at which votes may be cast or any rights to receive any dividends or distributions or any other rights.

4. **PUT OPTION**

4.1 Subject to Article 4.2, the G Ordinary Shares shall respectively confer on each holder thereof (in that capacity) the right, by way of a put option, to require the Parent to purchase all the Option Shares held by each of them on the terms set out in this Article 4 (the "**Put Option**").

4.2 The Put Option may only be exercised:

4.2.1 immediately prior to a Sale or Listing in accordance with Articles 4.2.2 and 4.2.3 (respectively) of the Topco Articles; or

4.2.2 in respect of all of the Option Shares (but not part only).

4.3 The Parent shall have the right to require each holder of G Ordinary Shares to sell each of their Option Shares held by each of them on the terms set out in this Article 4 (the "**Call Option**") and the Call Option shall be capable of being exercised by the Parent where a Sale is effected in accordance with Article 8 of the Topco Articles.

4.4 Where an Option is exercised, the consideration payable to the holders of the G Ordinary Shares in respect of each Option Share held by them (the "**Growth Share Price**") shall be calculated as follows:

4.4.1 if the amount of Residual Value is equal to or less than RV1 then the Growth Share Price shall be the Issue Price;

4.4.2 if the Residual Value exceeds RV1 but is equal to or less than RV2 then the Growth Share Price will be £x calculated as follows;

$$x = \frac{((RV - RV1) / (RV2 - RV1)) \times ((RV2 - RVT) \times RV2 \text{ Percentage})}{\text{Total Growth Shares}}$$

; or

4.4.3 if the Residual Value exceeds RV2 then the Growth Share Price will be £y calculated as follows;

$$y = \frac{((RV - RVT) \times \text{Relevant Percentage})}{\text{Total Growth Shares}}$$

provided that the maximum aggregate amount to be paid for all the G Ordinary Shares under this Article 4.4 shall not exceed £3,700,000.

4.5 In the event of a Proposed Exit, where the Investors reasonably expect such Proposed Exit to proceed to completion, the Investors shall notify the Option Holders' Representatives (the "**Proposed Exit Notice**") in writing:

4.5.1 of the existence of a Proposed Exit and its likely completion date (the "**Proposed Exit Date**");

4.5.2 of the Growth Share Price should the Proposed Exit occur on the Proposed Exit Date; and

- 4.5.3 in accordance with the provisions of Article 4.6.
- 4.6 Upon receiving notification of a Proposed Exit, the holders of the Option Shares may exercise the Put Option in accordance with the following provisions:
- 4.6.1 by serving written notice on the Parent and Investors informing them of their intention to exercise the Put Option in respect of all (but not some only) of the Option Shares (the "**Put Notice**");
- 4.6.2 the Put Notice shall also:
- (a) be conditional upon the Proposed Exit completing (such that it becomes an Exit) within five Business Days of the Proposed Option Completion Date (the "**Longstop Date**"), after which it will lapse unless the Option Holders' Representatives and an Investor Majority agree an alternative Longstop Date; and
 - (b) be served at least five Business Days prior to the Proposed Option Completion Date, unless otherwise waived by an Investor Majority (acting reasonably).
- 4.7 Following service of a Proposed Exit Notice, if a Put Notice has not been served, the Parent or Investors shall be entitled to serve written notice on the Option Holders' Representatives informing him of the intention to exercise the Call Option which shall also be subject to the conditions set out in Article 4.6.2 and following service of such notice each such holder of Option Shares shall be required to proceed to Option Completion.
- 4.8 Option Completion shall take place at the offices of the Investors' Solicitors immediately prior to completion of the Proposed Exit (such that it becomes an Exit) (the "**Option Completion Date**").
- 4.9 On Option Completion, the holders of all Option Shares shall sell with full title guarantee and free from any Encumbrance and the Parent (or such other persons as the Investors may direct in writing) shall purchase the Option Shares pursuant to a share purchase agreement to be entered into between the relevant parties in a form reasonably acceptable to the Investors (the "**Option Sale Agreement**") which shall include undertakings from the holders of the Option Shares as to their title to the Option Shares and capacity to enter into the Option Sale Agreement.
- 4.10 At Option Completion:
- 4.10.1 the holders of the Option Shares shall deliver, or cause to be delivered, to the Investors a duly executed transfer of the relevant Option Shares accompanied by the relevant share certificates (or an indemnity in a form acceptable to the Investors for any lost certificates); and
- 4.10.2 the Parent shall, subject to the holders of the Option Shares having complied with the obligations set out in these Articles and the Option Sale Agreement, pay or procure the payment of, the Growth Share Price upon completion of the Proposed Exit (such that it becomes a Exit) in accordance with the Option Sale Agreement.
- 4.11 For illustration purposes only, the Appendix to these Articles sets out worked examples of the operation of Article 4 to illustrate how the Growth Share Price will be calculated.
- 4.12 The serving of a Put Notice or a Call Notice in accordance with this Article 4 shall unconditionally constitute the Company as agent of each holder of G Ordinary Shares in relation to the sale of all the legal title to, beneficial ownership of and all interests attaching to the G Ordinary Shares at the Growth Share Price in order to give effect to Article 4.9 and 4.10.

5. **PERMITTED TRANSFERS**

A holder of G Ordinary Shares shall not be permitted to transfer or dispose of any of the G Ordinary Shares unless prior Investor Approval has been given.

6. **COMPULSORY SHARE TRANSFERS**

6.1 Each of the following shall be a "**Transfer Event**" for the purposes of these Articles:

- 6.1.1 if any person shall purport to transfer or otherwise dispose of any G Ordinary Share otherwise in accordance with Article 4 or Article 5;
- 6.1.2 if any person becomes entitled to Shares in consequence of the death or bankruptcy of a holder of G Ordinary Shares;
- 6.1.3 if (at any time) any person becomes a Leaver; or
- 6.1.4 a Bank Enforcement.

6.2 If a Transfer Event occurs then:

- 6.2.1 if the person in respect of whom the Transfer Event relates is a Leaver, an Investor Majority may serve notice on him that he shall be deemed to have given on his Cessation Date (or such later date (if any) as may be specified in such notice) a notice offering the Company (or such other person as the Investor may direct) to purchase all the G Ordinary Shares held by the Leaver and any Associate of such Leaver (each such holder being a "**Relevant Member**") or such other number of G Ordinary Shares as an Investor Majority may specify in writing to the Company prior to such G Ordinary Shares being offered for sale in accordance with these Articles;
- 6.2.2 in respect of any other person to whom the Transfer Event (excluding a Bank Enforcement) relates, unless and to the extent the Directors (with Investor Approval) otherwise determine at the relevant time, such person shall be deemed to have given, on the date on which the Directors become aware of such Transfer Event, a notice offering the Company (or such other person as the Investor may direct) to purchase all of the G Ordinary Shares held by such person and any Relevant Person of such person (each such holder being a "**Relevant Member**") which, for these purposes shall include any G Ordinary Shares formerly held by any Relevant Member which have been transferred in breach of Article 5); or
- 6.2.3 in respect of a Bank Enforcement all holders of G Ordinary Shares shall be deemed to have given, on the date on which the Directors become aware of the Bank Enforcement, a notice offering the Company to purchase all of the G Ordinary Shares held by such person and any Relevant Person of such person (each such holder being a "**Relevant Member**") which, for these purposes shall include any G Ordinary Shares formerly held by any Relevant Member which have been transferred in breach of Article 5)

and all Shares the subject of a Transfer Notice under this Article 6.2 shall, for the purposes of these Articles, be "**Sale Shares**".

- 6.3 Each Relevant Member who is the transferor of any Sale Shares ("**Transferor**") shall immediately on a Transfer Notice being given or deemed given, deliver up and lodge with the Company the share certificate(s) in respect of the relevant shares.
- 6.4 Any Transfer Notice given or deemed given shall unconditionally constitute the Company as agent (and shall be directed by the Investor) of the Transferor in relation to the sale of all the legal title to, beneficial ownership of and all interests attaching to the Sale Shares at the relevant price as specified in Article 6.5. A Transfer Notice shall not be revocable except with the consent of the Directors (with Investor Approval).
- 6.5 The price per Share (or price per Share of each different class held) applicable on a transfer of the Sale Shares to the Company (or such other person as the Investor directs) shall be the Issue Price save in respect of a transfer pursuant to a Bank Enforcement where the price per Share shall be nil.

6.6 The Company shall stipulate the time and place for the purchase of the Sale Shares by the Company and if a Transferor shall fail to complete the transfer of any Sale Shares to the Company, the Directors shall be entitled to, and shall, authorise and instruct any person to sign and execute (and to date and deliver) any and all agreements, instruments, deeds, stock transfer forms or other papers and documents and to take all actions and do all things which a Leaver is required to execute or sign or take or do under these Articles together with any other papers or documents or actions or things necessary or desirable in connection with such obligations and the Company may receive the purchase money in trust for the Transferor and (notwithstanding (if such is the case) that the Transferor has failed to deliver up the relevant share certificate(s)) shall (subject to so receiving the purchase money) cause the Company to be registered as the holder of the Sale Shares. The transfer and the receipt of the Company for the purchase money shall constitute a good title to the Sale Shares and the receipt shall be a good discharge to the Company, who shall not be bound to see to the application of the purchase money and whose title to the Sale Shares shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal and/or cancellation under these Articles.

6.7 Following any transfer in accordance with this Article 6, notwithstanding any failure by the Relevant Member to deliver up its certificate (or an indemnity in a form reasonably satisfactory to the Directors for any lost share certificate), the Directors shall register any transfer of shares in the statutory books of the Company and the Company shall cancel any Sale Shares which it acquires in accordance with the requirements of the Act.

7. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

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

7.2 If:-

7.2.1 the Company only has one Director for the time being; and

7.2.2 no provision of these Articles requires it to have more than one Director,

the general rule does not apply, and the Director may (for so long as he remains the sole Director) take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making.

7.3 All acts done by a meeting of Directors, or a committee of Directors or by any Director shall, even if it is discovered afterwards that:-

7.3.1 there was a defect in the appointment of any Director; or

7.3.2 any Director had been disqualified from holding office; or

7.3.3 any Director had vacated office or was not entitled to vote,

be valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

8. UNANIMOUS DECISIONS

8.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

8.2 Such a decision may take the form of a resolution in writing where each Director has signed one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.

8.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Director's meeting.

9. **CALLING A DIRECTORS' MEETING**

- 9.1 Article 9(1) of the Model Articles is amended by inserting the words "at least seven days" after the words "by giving".
- 9.2 Article 9(2)(b) of the Model Articles is amended by the insertion of the words "and the proposed business of the meeting" after the word "place".

10. **ALTERNATE DIRECTORS**

- 10.1 Any Director (the "**Appointor**") may appoint as an alternate any other Director, or another person approved by resolution of the Directors to:-

- 10.1.1 exercise that Director's powers; and
- 10.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor (the "**Alternate**" or "**Alternate Director**").

- 10.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

- 10.3 The notice must:-

- 10.3.1 identify the proposed Alternate; and
- 10.3.2 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.

- 10.4 An Alternate Director may act as an 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.

- 10.5 Alternate Directors:-

- 10.5.1 are deemed for all purposes to be Directors;
- 10.5.2 are liable for their own acts and omissions;
- 10.5.3 are subject to the same restrictions as their Appointors;
- 10.5.4 are not deemed to be agents of or for their Appointors;

and in particular (but without limitation) each Alternate Director is entitled to receive notice of all meetings of Directors and all meetings of committees of Directors of which his Appointor is a member.

- 10.6 A person who is an Alternate Director but not a Director:-

- 10.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- 10.6.2 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 participate).

No Alternate may be counted as more than one Director for such purposes.

- 10.7 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor remuneration as the Appointor may direct by notice in writing made to the Company.

10.8 An Alternate Director's appointment as an Alternate terminates:-

- 10.8.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 10.8.2 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;
- 10.8.3 on the death of the Alternate's Appointor; or
- 10.8.4 when the Alternate's Appointor's appointment as a Director terminates, except that an Alternate's appointment as an Alternate does not terminate when the Appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting.

10.9 A Director who is also an Alternate Director has an additional vote on behalf of each Appointor who is:-

- 10.9.1 not participating in a Directors' meeting; and
- 10.9.2 would have been entitled to vote if they were participating in it,

but shall not count as more than one Director for the purposes of determining whether a quorum is present.

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

Provided he has declared the nature and extent of his interest in accordance with the Act, a Director is entitled to vote on any resolution of the Directors or of a committee of Directors concerning any contract, transaction, arrangement or proposal to which the Company is or is to be a party and in which he or a person connected with him within the meaning of section 252 of the Act has an interest and shall be counted in the quorum for the meeting of Directors in relation to such contract, transaction, arrangement or proposal.

12. **AUTHORISATION OF CONFLICTS OF INTEREST**

12.1 Subject always to the provisions of the Act, the board of Directors may from time to time authorise any matter which would, if not so authorised, result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company.

12.2 Subject to his declaring the nature and extent of the interest in accordance with the Act (save in the case of an interest falling within paragraph 12.2.1 below which shall not require to be so declared), a Director is permitted to have an interest of the following kind:-

- 12.2.1 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 12.2.2 any interest arising as a result or consequence of the Director (or person connected with him) being a Director or other officer of or employed by or otherwise interested (including by the holding of shares) in any Relevant Company;
- 12.2.3 any interest arising as a result of consequence of the Director (or person connected with him) being a party to, or otherwise interested in any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested; and
- 12.2.4 any other interest authorised by ordinary resolution,

and no authorisation pursuant to Article 12.1 shall be required in relation to such interest.

12.3 For the purposes of this Article 12:-

12.3.1 a "**Relevant Company**" shall mean:-

- (a) the Company;
- (b) any subsidiary or subsidiary undertaking of the Company;
- (c) any holding company of the Company or any subsidiary or subsidiary undertaking of any such holding company;
- (d) any body corporate promoted by the Company; or
- (e) any body corporate in which the Company is otherwise interested;

12.3.2 a person is connected with a Director if he is connected to him in terms of section 252 of the Act.

12.4 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or any person connected with him) derives from any contract, transaction or arrangement or from any office, employment or position which has been approved by the board of Directors pursuant to this Article 12.

13. **RECORDS OF DECISIONS TO BE KEPT**

Article 15 of the Model Articles is amended by the addition of the following sentence:-

"Where decisions of the Directors are taken by electronic means, such decisions must be recorded by the Directors in permanent form so that they may be read by the naked eye."

14. **METHODS OF APPOINTING DIRECTORS**

Article 17(2) of the Model Articles is replaced by the following:-

"17(2) If as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the transmittee of the last Shareholder to have died or had a bankruptcy order made against him has the right by notice in writing to appoint any natural person who is willing to act and is permitted to do so, to be a Director."

15. **TERMINATION OF DIRECTOR'S APPOINTMENT**

Article 18 of the Model Articles is amended by the addition of the following:-

"(g) he has, for more than six consecutive months been absent without the permission of the other Directors from meetings of Directors held during that period and the other Directors resolve that he has ceased to be a Director."

16. **SECRETARY**

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

17. **REGISTRATION OF A TRANSFER OF SHARES**

17.1 Notwithstanding any other provision of these Articles:

17.1.1 the directors shall not decline to register or delay in registering any transfer of any share;

17.1.2 no holder of shares in the Company will be required to comply with any provision of these Articles which restricts the transfer of shares or which requires any shares to be first offered to all or any current shareholders of the Company before any transfer may take place; and

17.1.3 no holder of shares in the Company will have any right under these Articles or otherwise to require such shares to be transferred to them whether for consideration or otherwise

where such transfer is:-

- (a) to any bank, institution or other person to which such shares have been charged by way of security, or to any nominee or delegate of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a "**Secured Institution**"); or
- (b) delivered to the Company for registration by a Secured Institution or its nominee or delegate in order to perfect its security over the shares; or
- (c) executed by a Secured Institution or its nominee or delegate pursuant to a power of sale or other power existing under such security,

and the directors shall forthwith upon receipt register any such transfer of shares.

17.2 Notwithstanding anything contained in these Articles, the directors (or director if there is only one) of the Company may not exercise its rights of lien over shares that have been mortgaged, charged or pledged by way of security to a Secured Institution.

18. **COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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

19. **QUORUM FOR GENERAL MEETINGS**

19.1 The quorum at any general meeting of the Company shall be two persons present in person or by proxy save in the case of a company with a single member in which case, one member present in person or by proxy or by duly authorised representative shall be a quorum.

19.2 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

20. **VOTING: MENTAL DISORDER**

If a court has appointed a person to manage the affairs of a member as a result of a mental disorder of such member, the person appointed by that court may, provided he has not less than 48 hours before the time appointed for the relevant meeting, deposited at the registered office of the Company evidence to the satisfaction of the Directors that he has authority to exercise the right to vote, attend any general meeting of the Company and vote at such meeting whether on a show of hands or on a poll.

21. **POLL VOTES**

21.1 Article 44(3) of the Model Articles is amended by the insertion of the words "and such a demand will not invalidate the result of a show of hands declared before the demand was made" as a new line at the end of that article.

21.2 Polls must be taken immediately and in such manner as the chairman of the meeting directs. The result of the poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

21.3 A demand for a poll does not prevent a general meeting from continuing except as regards the question on which the poll was demanded.

21.4 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

22. **NOTICES AND COMMUNICATION**

22.1 The Company may send, supply or give any document, information or notice to a Shareholder by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant Shareholder (provided that Shareholder has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act.

22.2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

22.3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act.

22.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-

22.4.1 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 (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

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

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

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

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

22.5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.

- 22.6 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.
- 22.7 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 22.8 Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

23. **PARENT COMPANY**

- 23.1 Whenever a company wherever incorporated (hereinafter called the "**Parent Company**") is the holder of not less than 90 per cent of the Shares of the Company the following provisions will apply and to the extent of any inconsistency will have overriding effect as against all other provisions of these Articles:-
- 23.1.1 the Parent Company may at any time and from time to time appoint any person to be a Director or remove from office any Director howsoever appointed, but so that any such removal shall be without prejudice to any claim for breach of contract under any employment agreement between the Company and the director so removed;
- 23.1.2 no securities or Shares may be issued or agreed to be issued or put under option without the consent of the Parent Company; and
- 23.1.3 any or all powers of the directors will be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe.
- 23.2 Any such appointment, removal, consent or notice must be in writing served on the Company and signed on behalf of the Parent Company by any two of its directors or by any one of its directors and its secretary or some other person duly authorised for the purpose.
- 23.3 No person dealing with the Company will be concerned to see or enquire as to whether the powers of the directors have been in any way restricted under this Article or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party will be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.

APPENDIX

Worked Examples

Article 4.4.2:

1. If the Residual Value exceeds RV1 but is equal to or less than RV2 then the Growth Share Price will be £x calculated as follows;

$$x = \frac{((RV - RV1) / (RV2 - RV1)) \times ((RV2 - RVT) \times RV2 \text{ Percentage})}{\text{Total Growth Shares}}$$

Total Growth Shares

Example assumptions are:

- 1.1 RV is £11,500,000 (i.e. exceeds RV1 but is equal but less than RV2);
- 1.2 Loan Note Amount is £31,141,848 and therefore:
 - 1.2.1 RV1 is £10,869,443;
 - 1.2.2 RV2 is £11,999,999;
 - 1.2.3 RVT is £1,949,580; and
 - 1.2.4 RV2 Percentage is 11.2488439537% (fixed);
- 1.3 Number of growth shares is 1,000 (illustrative purposes only).

Growth Share Price is:

$$x = \frac{((11,500,000 - 10,869,443) / (11,999,999 - 10,869,443)) \times ((11,999,999 - 1,949,580) \times 11.2488439537\%)}{1,000}$$

$x = £630,557 / 1,000 = \textbf{£630.557 per growth share.}$

Article 4.4.3:

2. If the Residual Value exceeds RV2 then the Growth Share Price will be £y calculated as follows;

$$y = \frac{((RV - RVT) \times \text{Relevant Percentage})}{\text{Total Growth Shares}}$$

Total Growth Shares

Example assumptions are:

- 2.1 RV is £30,000,000 (i.e. exceeds RV2);
- 2.2 Loan Note Amount is £31,141,848 and therefore:
 - 2.2.1 RV1 is £10,869,443;
 - 2.2.2 RV2 is £11,999,999;
 - 2.2.3 RV3 is £34,841,848;
 - 2.2.4 RVT is £1,949,580;
 - 2.2.5 RV2 Percentage is 11.2488439537% (fixed);
 - 2.2.6 RV3 Percentage is 11.2488442573% (fixed);

2.2.7 Relevant Percentage is 10.9929469144%;

so RV2 Percentage + (((RV-RV2)/(RV3-RV2)) x (RV3 Percentage – RV 2 Percentage)) or
(11.2488439537% + ((30,000,000 - 11,999,999)/(34,841,848 - 11,999,999) x (11.2488442573% -
11.2488439537%));

2.3 Number of growth shares is 1,000 (illustrative purposes only);

Growth Share Price is:

$$y = \frac{((30,000,000 - 1,949,580) \times 10.9929469144\%)}{1,000}$$

$$y = \text{£}3,155,348 / 1,000 = \text{£}3,155.348 \text{ per growth share}$$

3. Subject to paragraph 4 below, any third party professional costs incurred or to be incurred (as estimated by the board of the Company acting reasonably) by any Group Company, in each case, with the agreement of an Investor Majority in connection with the sale of G Ordinary Shares in respect of an Exit shall be borne:

3.1 as to 90% of such costs, by the Investor; and

3.2 as to 10% of such costs, by all the holders of the G Ordinary Shares at the time of such exit with each holder of G Ordinary Shares sharing their proportionate share of such costs based on the number of G Ordinary Shares held by each of them in proportion to the total number of G Ordinary Shares in issue at the time of such Exit,

and it is agreed that such costs split shall be taken into account in any amount of Growth Share Price payable to each holder of G Ordinary Shares in accordance with Article 4.

4. If Article 4.4.1 applies and the amount of Residual Value is equal to or less than RV1 then the holders of G Ordinary Shares shall not be required to pay any costs pursuant to paragraph 3 above.