

ARTICLES OF ASSOCIATION
of
BDR WASTE DISPOSAL LIMITED

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The Companies Acts 1985 to 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
BDR WASTE DISPOSAL LIMITED

(Adopted by Special Resolution passed on 23 August 1993 and subsequently amended by
Written Resolution on 16 October 2008)

PRELIMINARY

1. (A) The Regulations contained or incorporated in Table A of the Companies (Tables A to F) Regulations 1985 and the Companies (Tables A to F) (Amendment) Regulations 1985 ("Table A"), other than Regulations 24, 25, 40 and 41, 73, 75 and 76, 78 to 80 inclusive and 94 and 95, shall subject to the modifications hereinafter expressed, apply to the Company and together with the regulations hereinafter contained, shall constitute the Articles of Association of the Company.
- (B) In Regulation 1 of Table A "execution" includes both signature under hand and execution under seal.
- (C) Words and expressions which are defined in Table A have the same meanings when used in these Articles and reference to "Regulations" means the regulations contained in Table A.

PRIVATE COMPANY

2. The Company is a private company and accordingly the provisions of Section 170 of the Financial Services Act 1986 shall apply to the Company.

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SHARE CAPITAL

3. (A) The share capital of the Company at the date of adoption of these Articles is £400,008 divided into 10,000 voting non-equity shares of 1 penny each, 362,408 non-voting equity shares of £1 each and 37,500 deferred shares of £1 each.

(B) The respective rights privileges and restrictions attaching to the voting non-equity shares, the non-voting equity shares and the deferred shares shall be as follows:-

(1) as regards income:

(a) the voting non-equity shares and the deferred shares shall not confer any right to receive a dividend or any other distribution of the profits of the Company

(b) all profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of the non-voting equity shares.

(2) as regards capital:

on a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the members shall be applied as follows:-

(a) first, in paying to the holders of the voting non-equity shares, in priority to any payment to the holders of any other class of shares in the capital of the Company, the nominal amounts paid up or credited as paid up on the voting non-equity shares held by them;

(b) secondly, in paying to the holders of the non-voting equity shares the sum of £10m per share;

(c) thirdly, in paying to the holders of the deferred shares, the nominal amount paid up or credited as paid up on the deferred shares held by them; and

(d) the balance (if any) of such assets shall belong to and be distributed amongst the holders of the non-voting equity shares in proportion to the nominal amounts paid up or credited as paid up thereon.

(3) as regards voting:

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LIEN

6. The lien conferred by Regulation 8 shall extend also to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company, (whether solely or jointly with any other person and whether he shall be the sole registered holder thereof or shall be one of several joint holders) and shall be a first and paramount lien for all moneys and liabilities owed to the Company whether presently due and payable or not.

FORFEITURE

7. The liability of any member in default of payment of a call shall, if the Directors so direct, also include any costs and expenses suffered or incurred by the Company in respect of such non-payment and Regulations 18 and 21 shall be amended accordingly.

TRANSMISSION OF SHARES

8. The Directors may at any time give notice requiring any person entitled to a share by reason of the death or bankruptcy of the holder thereof to elect either to be registered himself in respect of the share or to transfer the share and if the notice is not complied with within 30 days of the date of such notice the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with and Regulation 31 shall be modified accordingly.

TRANSFER OF SHARES

9. The Directors may not refuse to register any transfer of any share whether or not it is a fully paid share. Regulations 24 and 25 shall not apply.

GENERAL MEETINGS

10. No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted each being a member or a proxy for a member, or a duly authorised representative of a corporation, shall be a quorum. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting if convened on the requisition of Members will be dissolved. In any other case, the meeting will stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting will be dissolved.

11. At any General Meeting of the Company, a poll may be demanded by one or more Members present in person or by proxy and

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having the right to vote at the meeting and sub-paragraphs (b) (c) and (d) of Regulation 46 shall be modified accordingly.

APPOINTMENT AND REMOVAL OF DIRECTORS

12. Unless otherwise determined by Ordinary Resolution the minimum number of Directors shall be one and a sole Director shall have and exercise all the powers, duties and discretions conferred on or vested in the Directors by these Articles, and Regulations 64 and 89 shall be modified accordingly.

13. The Directors shall not be required to retire by rotation.

14. Subject as otherwise provided by these Articles, the Company may by Ordinary Resolution appoint a person who is willing to act, to be a Director, either to fill a vacancy or as an additional Director.

15. The Directors may also appoint a person who is willing to act, to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall not be subject to retirement or re-election at any Annual General Meeting.

16. In addition and without prejudice to the provisions of Sections 303 and 304 of the Act, the Company may by Extraordinary Resolution remove any Director before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

POWERS AND PROCEEDINGS OF DIRECTORS

17. Subject to the Act, a Director may vote at a meeting of Directors or of a committee of Directors (and may be counted in the quorum present at any such meeting) on any resolution concerning any matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company provided that at or prior to such meeting he complies in respect of such a matter with the disclosure provisions of Section 317 of the Act. Compliance with Section 317 of the Act shall be sufficient disclosure by a Director for the purpose of Regulations 85 and 86.

18. The Directors may exercise all the powers of the Company conferred by the Memorandum to pay and/or provide pensions, annuities, gratuities, superannuation and other allowances, benefits, advantages, facilities and services both for persons who are or have been Directors of, or who are or have been employed by the Company or by any subsidiary or associated company of the Company and their dependants and relatives and the

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Directors are entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers and Regulation 87 does not apply to the Company.

19. The Directors shall be entitled to such remuneration (if any) by way of fees salary or otherwise as shall from time to time be determined by resolution of the Directors and the Directors (including alternate Directors) shall also be entitled to be paid their reasonable travelling, hotel and other expenses of attending and returning from meetings of the Company or otherwise incurred while engaged on the business of the Company or in the discharge of their duties and Regulations 82, 83 and 84 shall be amended accordingly.

20. Any Director who, by request of the Directors, performs special services for any purpose of the Company which in the opinion of the Directors is outside the normal scope of such Director's duties shall receive such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine, which shall be charged as part of the Company's ordinary revenue expenses.

21. Any Director or member of a committee of the Board may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.

ALTERNATE DIRECTORS

22. The following provisions apply to the Company by way of variation of Regulations 65 to 69 inclusive:

- (A) The appointment of an alternate Director shall automatically terminate on the happening of any event which, if he were a Director, would cause him to vacate the office of Director or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same Meeting;
- (B) An alternate Director shall be repaid by the Company such expenses as might properly be repaid to him if he had been a Director. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director;
- (C) A Director or any other person may act as alternate Director to represent more than one Director, and an alternate Director shall be entitled at Meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director and Regulation 88 shall be modified accordingly.

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BORROWING POWERS

23. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof without limit and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt liability or obligation of the Company or of any third party.

RIGHTS OF CONTROLLING AUTHORITIES

24. (A) Whenever the Company shall be under the control of Rotherham Borough Council, Barnsley Metropolitan Borough Council and Doncaster Borough Council (together the "Authorities") within the meaning of Sections 68 and 73 of the Local Government and Housing Act 1989 ("LGHA 1989"), the following provisions of this paragraph (A) shall apply:-

- (1) The Authorities may at any time and from time to time appoint any person to be a Director (either for a fixed term or indefinitely) or remove from office any Director howsoever appointed but so that in the case of a Director holding an executive office his removal from office shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- (2) No unissued shares or other securities shall be issued or agreed to be issued or put under option without the consent of the Authorities;
- (3) Any or all powers of the Directors (or any of them) shall be restricted in such respects and to such extent as the Authorities by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice as aforesaid shall be in writing served on the Company at its registered office and signed on behalf each of the Authorities by its chief officer or some other person duly authorised for the purpose save that no person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors or any of them have been in any way restricted hereunder or as to whether any necessary consent of the Authorities has been given and no obligation incurred or security given or transaction effected by the Company to or with any third party shall 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.

(B) If at any time before the beginning of a financial year any of the Authorities has resolved that the Company should be an arms length company, the following provisions of this paragraph (B) shall apply at all times from the passing of that resolution

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up to the end of that financial year while the Company shall be under the control of that Authority within the meaning of Sections 68 and 73 of LGHA 1989:-

- (1) No person shall be appointed as a Director unless immediately thereafter the number of Directors who are members or officers of the Authority is one fifth or less.
- (2) No person shall be appointed as a Director unless he is so appointed for a fixed term of at least two years and, if any person has previously been appointed as a Director otherwise than for a fixed term of at least two years, the appointment of that person as a Director shall take effect as an appointment for the fixed term of ~~two~~ years commencing with the passing of the resolution by the Authority.
- (3) A Director who is not a member or officer of the Authority at the time of his appointment as a Director shall vacate office as a Director (and shall be deemed to have done so) on the day preceding the day on which he becomes a member or officer of the Authority.
- (4) A Director who is a member or officer of the Authority shall forthwith vacate office as a Director if the number of Directors who are members or officers of the Authority for any reason whatsoever exceeds one fifth of the total number of Directors. In such event the smallest number of Directors who are such members or officers shall vacate office as shall result in the number of Directors who are such members or officers ceasing to exceed one fifth of the total number of Directors and the Director or Directors to vacate office shall be (unless all the Directors who are such members or officers otherwise agree among themselves before such event) the Director or Directors who shall have been longest a Director or Directors since their last appointment as such and as between individuals who became Directors on the same day the individual to vacate office shall be (unless the relevant individuals otherwise agree among themselves before such event) the individual whose last name begins with the letter nearest A and if there are two or more such individuals the older or oldest shall vacate office.

(C) If any of the foregoing provisions of this Article apply, they shall prevail over the other provisions of these Articles to the extent of any inconsistency.

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NOTICES

25. Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice to a Director need not be in writing.

26. In Regulation 112 the words "or by telex or facsimile transmission" shall be inserted before the words "or by sending it by" and the words "first class" shall be inserted before the words "post in a prepaid envelope". The provisions of Regulation 112 as so varied shall (*mutatis mutandis*) apply also to notices to Directors.

27. Where a notice is sent by first class post, service of the notice, shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted.

THIRD PARTY BENEFITS - CORPORATE HOSPITALITY

28. A Director of the Company be authorised to receive benefits from third parties in respect of reasonable corporate hospitality (subject to such hospitality being reported by the Director to the Company in accordance with the procedure in place from time to time) and the receipt of such reasonable corporate hospitality by a Director shall not be a breach of section 176 of the Companies Act 2006.