

Harnham Search and Selection Limited (the "Company")

Pursuant to article 10.1 of the Company's articles of association (the "Articles"), Simon Clarke ("SC") being the sole director of the Company hereby passes the resolutions set out below.

1. **Purpose of the resolutions**

- 1.1 SC noted that it was proposed that a restructure of the Company's group would be effected, whereby amongst other things, an interest in the Company would be held by Harnham Group Limited ("TopCo") (together, the "Restructure").
- 1.2 SC noted that TopCo had been incorporated on 3 December 2015 as part of the Restructure.
- 1.3 SC noted that, as part of the Restructure, it was desirable for the shareholding structure in TopCo to mirror the shareholding structure of the Company.
- 1.4 SC therefore noted that the purpose of the resolutions was to approve certain steps and actions relating to the Restructure including relating to the transfer of the shares listed below, which comprise the entire issued share capital of the Company to TopCo (the "Share Transfers") pursuant to the terms of a share exchange agreement to be entered into by SC, David Farmer, Katherine Heague (the "Transferors") and TopCo (the "Share Exchange Agreement"):

<i>Transferor</i>	<i>Number of shares in the Company to be transferred to TopCo</i>
Simon Clarke	10,000 A ordinary shares of £0.001
David Farmer	1,070 B ordinary shares of £0.001
Katherine Heague	830 B ordinary shares of £0.001

- 1.5 SC further noted that there were no provisions in the Company's Articles that restrict or require any other action in respect of the Share Transfers that were not otherwise dealt with in the Share Exchange Agreement.
- 1.6 Following the Share Transfers, SC noted that the purpose of the resolutions would be to approve:
- (A) subject to the approval of the Written Resolutions (defined below) the reclassification of 1,900 B ordinary shares of £0.001 to 1,900 A ordinary shares of £0.001 (the "Share Reclassification");
- (B) following the Share Reclassification, the establishment of a freezer share scheme whereby the Company will obtain authority to allot up to 2,975 B ordinary shares of £0.001 each in the company (the "Freezer Shares"). Of these Freezer Shares, 1,488 will be allotted and issued to the management at a subscription price of £10 per Freezer Share (the "Subscription Price") as set out below (the "Allotment"):

TUESDAY



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COMPANIES HOUSE

Name (" <u>Management</u> ")	Subscription Price	B shares of £0.001 to be allotted
Mark Bremer	£7,440	744
Sam Jones	£7,440	744

- (C) subject to the approval of the Written Resolutions (as defined below), the remaining 1,487 Freezer Shares to be issued at a later date to such persons as the Company may determine from time to time;
- (D) the adoption of new articles of association of the Company (the "New Articles");
- (E) the shareholders' agreement (the "Shareholders' Agreement") relating to the Company to be entered into by TopCo, the Management and the Company following the Share Transfer and the Allotment;
- (F) a written special resolution of the Company for approval by the sole shareholder of the Company holding the A Ordinary Shares to:
- (1) approve the Share Reclassification;
 - (2) disapply the pre-emption rights in section 561 of the Companies Act 2006 (the "Act") in relation to the proposed issue of the Freezer Shares;
 - (3) adopt the New Articles,
- (together the "Written Resolutions");
- (G) following approval of the matters set out above, the Company entering into a hive across agreement (the "Hive Across Agreement") relating to the transfer of certain trade and assets from the Company to Harnham Europe Limited; and
- (H) the ratification of the Tax Structure Letter (defined in minute 1.7 below).
- 1.7 SC further noted that the Restructure (as further detailed in the letter from Simmons & Simmons LLP to HMRC dated 2 February 2016, the "Tax Structure Letter") had received clearances from HMRC under section 701 Income Tax Act 2007 and section 138 Taxation of Chargeable Gains Act 1992 (as set out in a letter from HMRC to Simmons & Simmons LLP dated 5 February 2016, the "Tax Clearance") including in respect of the actions to be considered and approved in these resolutions.
- 1.8 SC noted that, when considering the resolutions he would need to take into account his general duties as a director, including those under the Act, and in particular the matters referred to in section 172(1) of the Act.
2. **Directors' Interests**
- 2.1 SC noted the nature and extent of his interest in the business to be considered in the resolutions in accordance with section 175 and 177 of the Act, the Articles and generally.

- 2.2 SC noted that he was required to avoid any situations which would involve him breaching his duty to avoid conflicts of interest in accordance with the Act. SC carefully considered his position in relation to the Restructure and to the specific matters to be considered in the resolutions, and resolved that his interests were not likely to give rise to a conflict of interest with the Company or leave him in breach of his duty under section 175 of the Act.

3. **Documents**

SC considered the following documents:

- (A) the Share Exchange Agreement;
 - (B) the duly executed stock transfer forms relating to the Share Transfer (the "Stock Transfer Forms");
 - (C) the New Articles;
 - (D) the Written Resolutions;
 - (E) the Shareholders' Agreement;
 - (F) the Hive Across Agreement;
 - (G) the Tax Structure Letter; and
 - (H) the Tax Clearance,
- (together the "Documents").

4. **Approval of the Transfer**

- 4.1 SC carefully considered the terms of the Share Exchange Agreement.
- 4.2 After due and careful consideration, having regard to (among other things) the factors set out in section 172 of the Act, SC RESOLVED that subject to the Stock Transfer Forms being delivered to the Company duly stamped, the Share Transfers should be registered in the Company's books and a new share certificate or share certificates transferred to TopCo and any other such things that are necessary or desirable in relation to the Share Transfers is and are hereby approved.

5. **Approval of the Written Resolutions**

After due and careful consideration of the matters set out above having regard to (among other things) the factors set out in section 172 of the Act, SC RESOLVED that the Written Resolutions be circulated to SC (in his capacity as sole shareholder of the Company).

6. **Adjournment**

The meeting was adjourned so SC could consider, and if thought fit, approve the Written Resolutions as the shareholder of the Company.

7. **Resumption**

The meeting reconvened and SC noted that the Written Resolutions had been duly passed.

8. **Share Reclassification**

8.1 SC noted that once the Shareholders' Agreement was entered into, the Company would be under an obligation to effect the Share Reclassification approved in the Written Resolutions.

8.2 Accordingly, SC RESOLVED that (subject to execution of the Shareholders' Agreement):

- (A) 1,900 B ordinary shares of £0.001 each, held by TopCo, be reclassified as 1,900 A ordinary shares of £0.001 each;
- (B) the A ordinary shares and B ordinary shares shall have such rights attaching to them as set out in the New Articles;
- (C) the name of TopCo be updated in the register of members of the Company to reflect the Share Reclassification; and
- (D) a share certificate or share certificates for the shares following the Share Reclassification be and is issued to TopCo.

9. **Allotment of the Freezer Shares**

9.1 SC noted that following the Share Reclassification:

- (A) payment for the 1,488 Freezer Shares being allotted and issued to the Management (in such proportions as set out in minute 1.6(B)) had been received in cash from the relevant Management;
- (B) upon the 1,488 Freezer Shares being issued allotted to the Management, they would each enter into the Shareholders' Agreement; and
- (C) the remaining unissued (but approved) 1,487 Freezer Shares may be issued at a later date to such persons as the Company may determine from time to time.

9.2 Accordingly, SC RESOLVED that:

- (A) the 1,488 Freezer Shares be and are allotted to the Management and are credited as fully paid in such proportions as set out in minute 1.6(B);
- (B) the names of the Management be entered in the register of members of the Company to reflect the allotment and issue of the 1,488 Freezer Shares; and
- (C) share certificates for the 1,488 Freezer Shares be and are issued to the Management.

10. **Shareholders' Agreement**

After due and careful consideration of the Shareholders' Agreement, SC RESOLVED that:

- (A) the Shareholders' Agreement be and is approved;

- (B) SC be and is authorised to execute and deliver the Shareholders' Agreement as a deed for and on behalf of the Company in the presence of a witness; and
- (C) SC be and is authorised to execute and deliver such documents referred to in the Shareholders' Agreement and do all such things on behalf of the Company as may be necessary or desirable in order to implement the Shareholders' Agreement and the matters contemplated therein.

11. **Further Resolutions**

After due and careful consideration of the remaining Documents, SC RESOLVED that:

- (A) the New Articles be and are approved;
- (B) having consented to act, Emma Reynolds be and is appointed as the Company's secretary to take effect from the close of the meeting;
- (C) the resignation of Polly Linton as the Company's secretary be and is accepted, with the resignation to take effect from the close of the meeting;
- (D) the Hive Across Agreement be and is approved;
- (E) SC be and is authorised to execute and deliver the Hive Across Agreement as a deed for and on behalf of the Company in the presence of a witness;
- (F) SC be and is authorised to execute and deliver such documents referred to in the Hive Across Agreement and do all such things on behalf of the Company as may be necessary or desirable in order to implement the Hive Across Agreement and the matters contemplated therein; and
- (G) the Tax Structure Letter be and is ratified and approved.

12. **Filings**

SC RESOLVED that the Company's secretary be and is authorised:

- (A) to file on the Company's behalf:
 - (1) a copy of form SH08 (notice of the Share Reclassification);
 - (2) a copy of form SH10 (notice of the particulars of variation of rights attached to the classes of shares);
 - (3) a copy of form SH01 (notice of the allotment of the 1,488 Freezer Shares);
 - (4) a copy of the Written Resolutions;
 - (5) a copy of the New Articles;
 - (6) a copy of form AP03 (appointment of Emma Reynolds as the Company's secretary); and
 - (7) a copy of form TM02 (resignation of Polly Linton as the Company's secretary); and

Articles of Association

Harnham Search and Selection Limited

Company number: 05723485

(Private company limited by shares)
as adopted by written resolution passed on
31 March 2016

Simmons & Simmons

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PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of HARNHAM SEARCH AND SELECTION LIMITED

1. Model Articles

- 1.1 The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (the "Model Articles") as at the date when these Articles became binding on the Company shall, except where the same are excluded or varied by or inconsistent with these Articles, apply to the Company.
- 1.2 Articles 7, 8, 9(1) and (3), 11(2) and (3), 14, 17(2) and (3), 21, 24(2), 26(1) and (5), 30(4), 44(2), 52 and 53 of the Model Articles shall not apply to the Company.

2. Interpretation

- 2.1 In these Articles unless the context otherwise requires:

"Acting in Concert" has the meaning set out in the City Code on Takeovers and Mergers (as amended from time to time);

"Alternate" or "Alternate Director" means a person appointed as such pursuant to Article 10;

"Annual Valuation Statement" means the annual statement prepared by the Board, setting out the Net Asset Value of the Company and the Company Profits as at the end of the immediately preceding financial period, such statement to be signed off by the auditors as part of the annual audit of the Company's financial statements if the Board elects at its discretion;

"Applicable Percentage" means such percentage as notified to the Manager by the Board within 6 months of the date of this Agreement;

"Approved Borrowing Limit" means the Standard Borrowing Limit (at the relevant time) unless an Enhanced Borrowing Limit has been approved under Articles 31.1 and 32.2, in which event the Approved Borrowing Limit shall be such Enhanced Borrowing Limit as is applicable at the relevant time;

"Approved Offer" means an irrevocable offer in writing that is for all the shares in the capital of the Company, which has been approved by the Board, and where the terms of such an offer are equal as between the A Shares and where the amount offered for the B Shares is calculated in accordance with Article 21;

"Appointor" has the meaning given in Article 10.1;

"Articles" means the Company's articles of association in their present form or as from time to time altered;

"A Shareholder" means the holder of the A Shares;

"A Shares" means A ordinary shares of £0.001 each in the Company;

"Average Excess Borrowing" means the amount of the Borrowing averaged over each of the 28 Banking Days in any 60 day period when such Borrowing is: (a) at its greatest; and (b) in excess of the relevant borrowing limit;

"Bad Leaver" means a B Shareholder who is leaving the employment of the Harnham Group for any reason, save one which would make him/her a Good Leaver;

"Bad Leaver Multiple" has the meaning given to it in the Shareholders' Agreement;

"Banking Day" means any day on which the clearing banks in the City of London are open for normal commercial business (excluding Saturday and Sunday);

"Book Debt" means any amount deemed by the Board to be recoverable from a customer and to which a value has been attributed in the Company's last audited accounts (and, for the avoidance of doubt, shall include, but not be limited to, invoiced receivables, applications for payment and contract retentions), in each case net of any provision relating thereto;

"Borrowing" means the amount of the aggregated net borrowing of the Company as shown in its reconciled bank statements (including, without limitation, all bank debt, indebtedness under any invoice discounting facility, any monies borrowed from any Group Company or any shareholder or director of any other Group Company and any other commitment in the nature of borrowing);

"B Shareholder" means a holder of B Shares and "B Shareholders" shall be construed accordingly;

"B Shares" means B ordinary shares of £0.001 each in the Company;

"Circulation Date" means in respect of each financial year of the Company, the date that the annual accounts for that period are circulated to members in accordance with Section 423, Companies Act 2006;

"Company Profits" means the annual EBIT of the Company and its Subsidiaries (where applicable), as shown in the Annual Valuation Statement, in respect of each of the two preceding years ending on 30 November (or the last accounting reference date of the Company, if different) provided that if any accounting period is longer or shorter than 12 months then such adjustments shall be made as are reasonably necessary to ensure such calculation reflects a true 12-month position ("**Total Net Profit**"), divided by 2, represented by the following equation:

$$\text{Company Profits} = \text{Total Net Profit} / 2$$

"Conflict" has the meaning given in Article 6.1;

"Controlling Interest" means an interest in shares (as defined in Schedule 1 of the CA2006) conferring in aggregate more than 50% of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue;

"Current Valuation" has the meaning given to it in the Shareholders' Agreement;

"Deed of Adherence" means a deed materially in the form set out in Schedule 6 of the Shareholders' Agreement;

"Earn-out Formula" means the meaning given to such term in Article 18.9;

"EBIT" shall mean the annual profits (or, where applicable, loss) before interest and Taxation, calculated based on UK Generally Accepted Accounting Principles, and on the accounting policies of the Harnham Group, and normalised to reflect any uncompleted job or contract, revenues/costs cut off items for the year end, any unprovided doubtful or bad debts and any balance sheet adjustments identified by the auditors as part of the annual audit of the financial statements, and shall exclude any exceptional income or costs incurred in the relevant accounting period(s). For the purposes of calculating the EBIT of the Company, the EBIT shall be calculated after expensing any Harnham Group management fees (for finance, HR, IT support, Harnham group management costs or equivalent items) and after expensing only market rate remuneration for the senior managers as agreed from time to time with the Board;

"Eligible director" means a director (including an alternate director) who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter and for these purposes a director's vote is not to be counted in respect of any Conflict which has not been authorised under Article 6.1 nor where the Relevant Terms relating to the authorisation of any Conflict do not allow the director to vote in relation to the particular matter);

"Employment Cessation Date" the date on which a B Shareholder leaves the employment of the Harnham Group;

"Enhanced Borrowing Amount" means the amount (if any) at the relevant time of borrowings of the Company in excess of the Standard Borrowing Limit or any previously agreed Enhanced Borrowing Limit;

"Enhanced Borrowing Approval" means an enhanced borrowing approval in the form set out in part B of Schedule 7 of the Shareholders' Agreement;

"Enhanced Borrowing Limit" means such borrowing limit, at the relevant time, above the Standard Borrowing Limit (or any previously agreed Enhanced Borrowing Limit) as is approved, from time to time, under the terms of Articles 33.1 and 33.2;

"Enhanced Borrowing Request" means an enhanced borrowing request in the form set out in part A of Schedule 7 of the Shareholders' Agreement;

"Finance Director" means the finance director or head of finance of HGL from time to time;

"Group" means the Company, every subsidiary and holding company of the Company and every subsidiary of any such holding company and the terms subsidiary and holding company shall have the meanings given in section 1159 of the 2006 Act;

"Good Leaver" means a B Shareholder who is leaving the employment of the Harnham Group:

- (A) as a result of him/her falling victim to a physical or mental incapacity to the extent that he/she is unable to perform his/her duties of employment (provided, if required by the A Shareholder, he/she is so assessed following a medical examination by a doctor nominated by the A Shareholder);
- (B) having retired (being retirement in accordance with the then prevailing employment policies of the relevant Harnham Group Company employing the relevant person);
- (C) having died;

(D) having left the employment of the Harnham Group by reason of having been made redundant or because he has been transferred pursuant to The Transfer of Undertakings (Protection of Employees) Regulations 2009; or

(E) having been designated a Good Leaver by the A Shareholder;

"Good Leaver Multiples" has the meaning as set in the Shareholders' Agreement;

"Group Policies" means the policies adopted by HGL from time to time for the Harnham Group including, but not limited to, any policies in respect of accounts, information technology, investments, property, staff and vehicles;

"Harnham Group" means HGL, its Subsidiaries, any holding companies (as such term is defined in Section 1159 Companies Act 2006) of the Company and any Subsidiary of any such holding companies (from time to time) and "Group Company" means any particular one of them;

"Harnham Group Profits" means the annual consolidated EBIT of HGL and its subsidiaries (where applicable), as determined by the auditors of HGL as part of the annual audit of HGL's financial statements, in respect of each of the two preceding years ending on 30 November (or the last accounting reference date of the Company, if different) provided that if any accounting period is longer or shorter than 12 months then such adjustments shall be made as are reasonably necessary to ensure such calculation reflects a true 12-month position ("**Total Net Profit**"), divided by 2, represented by the following equation:

$$\text{Harnham Group Profits} = \text{Total Net Profit} / 2$$

"Harnham WACC" means the relevant weighted average cost of capital of HGL as calculated under the terms of part D of Schedule 7 of the Shareholders' Agreement;

"HGL Threshold Value" has the meaning given to it in the Shareholders' Agreement;

"Index" means the Retail Prices Index (RPI) maintained by the Office for National Statistics (or by any government department upon which the duty to maintain such an index shall have devolved) or any index replacing it;

"Index Linked" means increased annually on 1 December in each year by the same percentage as the Index has increased in the preceding 12 months;

"Net Asset Value" means the net asset value of the Company from time to time as shown in the latest Annual Valuation Statement, but discounting such value by the amount by which the net debt of the Company exceeds the Applicable Percentage of the value attributed to Trade Debtors of the Company as shown in such accounts;

"Net Debt" means the net total of cash balances of the Company less any bank borrowings, hire purchase liabilities, inter-Group Company debt and confidential invoice discounting or factoring balances or other debts of the Company;

"Notice" means a notice of exercise of the Option in the form set out in Schedule 2 of the Shareholders' Agreement;

"Notice Period" means the meaning given to such term in Article 18.3;

"Offer" means a bona fide third party offer to acquire the entire issued share capital of HGL;

"Offer Price" means the price for Shares as calculated in accordance with Article 18.9 or 20.2 (as the case may be);

"Option" means the conditional put option over his/her Shares granted to each B Shareholder by Article 22;

"Option Period" means 21 days commencing on the date on which the A Shareholder gives notice of the Offer to the B Shareholders in accordance with Article 22.2;

"Permitted Interest" has the meaning given in Article 6.1;

"Qualifying person" means (i) an individual who is a shareholder; (ii) a person authorised under section 323 of the 2006 Act to act as the representative of a corporation in relation to the meeting; or (iii) a person appointed as proxy of a shareholder in relation to the meeting;

"Relevant Multiple" has the meaning given to it in the Shareholders' Agreement in respect of any financial period of the Company ending on or after 30 November 2018 (save as otherwise provided in this Agreement);

"Relevant Proportion" means expressed as a percentage, the proportion that the number of Relevant Shares bear to the total number of issued shares of the Company at the relevant time;

"Relevant Shares" means the B Shares in relation to which the A Shareholder has served a Transfer Notice;

"Relevant Terms" has the meaning given in Article 6.6(B);

"Shares" means A Shares and/or B Shares as the context so requires;

"Shareholders" means the A Shareholder and the B Shareholders together and "Shareholder" shall mean any of them;

"Shareholders' Agreement" means the agreement between HGL, the Company and Mark Bremer and Sam Jones, dated [•] 2016;

"SPA" means an agreement substantially in the form as attached at Schedule 3 of the Shareholders' Agreement;

"Standard Borrowing Amount" means the amount (if any) of borrowings of the Company below, or equal to, the Standard Borrowing Limit;

"Standard Borrowing Limit" has the meaning given to it in the Shareholders' Agreement;

"Subsidiaries" means any subsidiaries within the meaning of Section 1159, Companies Act 2006 and any subsidiary undertakings within the meaning of Section 1162, Companies Act 2006 from time to time and "Subsidiary" means any of them;

"Threshold Net Asset Value" has the meaning given to it in the Shareholders' Agreement;

"Threshold Profit Value" has the meaning given to it in the Shareholders' Agreement;

"Trade Debtors" means the total value of invoiced third party accounts receivables, plus the net total inter-Group current account owed from HGL and/or any other Group Company to the Company;

"Transfer Notice" means the notice (substantially in the form as attached at Schedule 5 of the Shareholders' Agreement) containing the offer, subject to contract, by the A Shareholder to purchase some or all of the Shares which are the subject of a Transfer Request Notice;

"Transfer Request Notice" means a notice (substantially in the form as attached at Schedule 4 of the Shareholders' Agreement) served by a B Shareholder on the A Shareholder specifying the number of Shares he/she wishes the A Shareholder to consider purchasing; and

"2006 Act" means the Companies Act 2006.

2.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

2.3 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time.

3. **Decisions of directors**

3.1 The directors may call meetings, adjourn them and otherwise regulate their meetings as they think fit. Subject to Article 3.3, any decision of the directors must be determined either by a majority of votes of the eligible directors (or their alternates) present at a meeting of the directors or by a decision taken in accordance with Article 3.2.

3.2 A decision of the directors may also take the form of a resolution in writing, where each eligible director (or his alternate) has signed one or more copies of it, or to which each eligible director (or his alternate) has otherwise indicated agreement in writing. A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at a meeting of the directors.

3.3 If:

(A) the Company has only one director for the time being; and

(B) no provision of the Articles requires it to have more than one director,

the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

4. **Calling a directors' meeting**

4.1 Any director may call a directors' meeting by giving not less than seven days prior notice of the meeting (or such lesser notice as all the directors may agree) to each director or by authorising the company secretary (if any) to give such notice.

4.2 Notice of a directors' meeting shall be given to each director in writing or in such other manner as all the directors may agree.

5. **Quorum for directors' meeting**

5.1 Subject to Article 5.3, the quorum for directors' meetings may be fixed from time to time by the directors. Unless so fixed at any other number, the quorum is:

(A) two directors when there are at least two directors in office; or

(B) one director when there is only one director in office.

5.2 A meeting of the directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors. Any director who ceases to be a director at a meeting of the directors may continue to be present and act as a director, and be counted in the quorum, until termination of the meeting if no other director objects and if otherwise a quorum of directors would not be present.

5.3 For the purposes of any meeting (or part of a meeting) held to authorise a Conflict, if there is more than one director in office but only one director is entitled to count in the quorum for that meeting (or part of a meeting) the quorum for that meeting (or part of a meeting) shall be that director.

6. **Authorisation of conflicts of interest**

6.1 Notwithstanding any other provision of these Articles, a director shall be authorised for the purposes of section 175 of the 2006 Act to act or continue to act as a director of the Company notwithstanding that at the time of his appointment or subsequently, he also:

(A) holds office as a director of any other member of the Group;

(B) holds any other office or employment with the Company or any other member of the Group; or

(C) is interested directly or indirectly in any shares or debentures (or any rights to acquire shares or debentures) in the Company or any other member of the Group

(each a "Permitted Interest".)

6.2 A director who has a Permitted Interest shall be an eligible director and shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any decision taken by written resolution in respect of any matter which relates directly or indirectly to that Permitted Interest.

6.3 The directors may, subject to the quorum and voting requirements in this Article, authorise any matter which relates to a situation in which a director (the "relevant director") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised or otherwise permitted, result in a breach of duty by the relevant director under section 175 of the 2006 Act (a "Conflict").

6.4 Any director (including the relevant director) may propose that a Conflict be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in accordance with the provisions of these Articles.

6.5 In connection with any proposal that a Conflict be authorised by the directors, the relevant director must disclose to the directors:

(A) the nature and extent of the Conflict, including the nature and extent of the interest of the relevant director;

(B) such additional information known to the relevant director in relation to the Conflict as is necessary to enable the directors to decide whether or not to authorise the Conflict; and

- (C) such additional information known to the relevant director in relation to the Conflict as the directors may request in connection with the decision of the directors whether or not to authorise the Conflict.

6.6 Where the directors authorise a Conflict:

- (A) the relevant director or directors will not count towards the quorum nor vote on any resolution giving such authorisation (and any such vote made will not be counted);
- (B) the directors may (in connection with giving the authorisation or subsequently):
 - (1) require that each relevant director is excluded from the receipt of documents and participation in discussions (whether at meetings of the directors or otherwise) relating to the Conflict;
 - (2) impose upon each relevant director such other terms for the purpose of dealing with the Conflict as they may determine; and
 - (3) decide that each relevant director 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,(together "Relevant Terms");
- (C) each relevant director will be obliged to comply with any Relevant Terms and any failure to comply with Relevant Terms by the relevant director will, unless such failure is authorised by the directors, result in the cessation of any authorisation by the directors of the Conflict on the Relevant Terms;
- (D) the directors may decide that where the relevant director obtains or has obtained (in connection with the Conflict and otherwise than through his position as a director) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs;
- (E) the authorisation may extend to any actual or potential Conflict which can reasonably be expected to arise out of the Conflict which has been authorised;
- (F) the Relevant Terms must be recorded in writing and notified to the relevant director (but the authority will be effective whether or not the Relevant Terms are so recorded and notified); and
- (G) the directors may revoke or vary the authorisation at any time but this will not affect anything done by the relevant director in accordance with the Relevant Terms prior to such revocation or variation and notice of any such revocation or variation will be given to the relevant director (but such revocation or variation shall be effective whether or not such notice is given).

6.7 A director is not required, by reason of his office (or of the fiduciary relationship established by reason of him being a director) to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with:

- (A) a Permitted Interest; or
- (B) any Conflict authorised by the directors under Article 6 or by the Company in general meeting,

subject in each case to any conditions attached to such authorisation and provided that all material information concerning that remuneration, profit or other benefit was duly disclosed to the directors or the shareholders (as appropriate) before such authorisation was given) and no contract shall be liable to be set aside on such grounds nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of such director's duty under section 176 of the 2006 Act.

- 6.8 For the purposes of this Article 6 and Article 7, an interest of a person who is, for any purpose of the 2006 Act, connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

7. **Directors' interests generally**

- 7.1 A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company must declare the nature and extent of that interest at a meeting of the directors or in accordance with section 184 or 185 of the 2006 Act before the Company enters into the transaction or arrangement.

- 7.2 A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company must declare the nature and extent of that interest at a meeting of the directors or in accordance with section 184 or 185 of the 2006 Act as soon as is reasonably practicable, unless the interest has already been declared under Article 7.1.

- 7.3 A director need not declare an interest under Article 7.1 or Article 7.2 (as the case may be):

- (A) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (B) of which the director is not aware or where the director is not aware of the transaction or arrangement in question and for this purpose a director is treated as being aware of matters of which he ought reasonably be aware;
- (C) if, or to the extent that, the other directors are already aware of the interest, and for this purpose the other directors are treated as being aware of anything of which they ought reasonably to be aware; or
- (D) if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a meeting of the directors.

- 7.4 Subject, where applicable, to any Relevant Terms and, provided a director has declared his interest in accordance with Article 7.1 or 7.2 (or is not required to declare that interest pursuant to Article 7.3), a director notwithstanding his office:

- (A) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;
- (B) shall be an eligible director and shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any decision taken by written resolution in respect of any transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (C) may act by himself or through 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;

- (D) may be a director or other officer of, or employed by, or a member of or partner in, any person who is a party to or otherwise interested in, any transaction or arrangement with any body corporate promoted by the Company or in which the Company is otherwise (directly or indirectly) interested; and
- (E) shall not, save as he may otherwise agree, be accountable to the Company for any remuneration, profit or other benefit which he (or a person connected with him (as defined in section 252 of the 2006 Act)) derives from or in connection with 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 2006 Act.

8. **Appointment of directors**

- 8.1 In addition to Article 17(1) of the Model Articles, any shareholder or shareholders holding a majority in nominal value of such of the issued share capital for the time being of the Company as carries the right to attend and vote at general meetings of the Company may by memorandum in writing at any time appoint any person to be a director. The memorandum in writing must be signed by or on behalf the shareholder(s) and delivered to the registered office of the Company or tendered at a meeting of the directors or of the Company in general meeting, or sent by electronic means to an address specified by the Company for that purpose.
- 8.2 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) shall have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director. For the purposes of this Article 8.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

9. **Termination of director's appointment**

In addition to Article 18 of the Model Articles, any director, howsoever appointed, may be removed from office by any shareholder or shareholders holding a majority in nominal value of such of the issued share capital for the time being of the Company as carries the right to attend and vote at general meetings of the Company. The notice of removal shall be in writing signed by or on behalf of the shareholder or shareholders and delivered to the registered office of the Company or tendered at a meeting of the directors, or of the Company in general meeting, or sent by electronic means to an address specified by the Company for that purpose.

10. **Alternate directors**

- 10.1 Any director (other than an alternate director) (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to exercise the appointor's powers and carry out his responsibilities in relation to the taking of decisions by the directors in the absence of the alternate's appointor. The appointor may remove from office an alternate director appointed by him. 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. The notice must:

- (A) identify the proposed alternate; and

(B) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor.

10.2 Subject to Articles 10.4 and 10.5, an alternate director may act as alternate director to more than one director and has the same rights in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

10.3 Except as these Articles specify otherwise, alternate directors:

- (A) are deemed for all purposes to be directors;
- (B) are liable for their own acts and omissions;
- (C) are subject to the same restrictions as their appointors; and
- (D) 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.

10.4 A person who is an alternate director but not a director:

- (A) 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);
- (B) may participate in a written resolution of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (C) shall not be counted as more than one director for the purposes of Article 10.4(A).

10.5 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 including in relation to any written resolution of the directors (provided that both he and 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.

10.6 An alternate director may be paid expenses as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the director appointing him as such director may by notice in writing to the Company from time to time direct.

10.7 An alternate director's appointment as an alternate terminates:

- (A) when the alternate's appointor terminates the appointment by notice in writing to the Company;
- (B) 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;
- (C) on the death of the alternate's appointor; or
- (D) when the alternate's appointor's appointment as director terminates.

11. **Directors' gratuities and pensions**

In addition to Article 19 of the Model Articles, the directors may exercise all the powers of the Company to grant pensions, annuities, gratuities and superannuation or other allowances and benefits in favour of any person including any director (including alternates) or former director or the relations, connections or dependants of any director or former director and the secretary, if any. A director or former director shall not be accountable to the Company or the shareholders for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

12. **Share capital**

Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

13. **Issue of shares**

13.1 Subject to these Articles, but without prejudice to the rights attached to any existing share the Company may issue the shares with such rights or restrictions as may be determined by special resolution.

13.2 Shares may be issued as nil or partly paid.

13.3 Articles 52 to 62 inclusive of the model articles for public companies contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 shall apply to the Company and form part of these Articles.

14. **Rights attaching to Shares**

14.1 Income

If a dividend is declared by the Board, the profits of the Company available for distribution in respect of any financial year shall be applied sequentially:

- (A) firstly, in paying to the A Shareholder a dividend of such amount as the Board shall decide;
- (B) secondly, in paying to the B Shareholders a dividend of such amount as the Board shall decide; and
- (C) thirdly, the balance of the profits available for distribution which are resolved to be distributed shall be distributed among the A Shareholder and the B Shareholders pari passu as if they constituted one class of share pro rata to their existing holdings of shares.

14.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company available for distribution amongst its shareholders after payment of its liabilities shall be applied in the following manner in the following order of priority:

- (A) first, in paying to the A Shareholder an amount equal to the aggregate of: (i) an amount equal to the Current Valuation; (ii) the subscription price paid per A Share in respect of any subscription following the date of adoption of these Articles (including, for the avoidance of doubt, any premium paid on subscription); and (iii) a sum equal to all unpaid arrears and accruals of dividends on the A Shares

calculated down to the date of the return of capital;

- (B) second, in paying to the holders of the B Shares the subscription price paid per Share (including, for the avoidance of doubt, any premium paid on subscription) together with a sum equal to the unpaid arrears (if any) of dividends thereon calculated down to the date of the return of capital; and
- (C) third, in paying the balance thereof to the holders of the A Shares and the B Shares pari passu as if they constituted one class of share pro rata to their existing holdings of Shares.

14.3 Voting

- (A) The holders of A Shares shall have the right to receive notice of and attend and vote at any general meeting of the Company. Subject to any special rights, privileges or restrictions attached to any A Shares, at a general meeting of the Company on a show of hands every holder of A Shares who (being an individual) is present in person or by proxy (not being himself a shareholder) or (being a corporation) is present by a representative duly authorised under Section 323, Companies Act 2006 (not being himself a shareholder) shall have one vote, and on a poll every shareholder present in person, by representative or by proxy shall have one vote for every A Share of which he is the holder.
- (B) The holders of B Shares shall not be entitled to receive notice of, to attend, to vote or to speak at any general meeting of the Company.

15. **Pre-emption procedure**

In accordance with section 567(1) of the 2006 Act, sections 561 and 562 of the 2006 Act shall not apply to any allotment of equity securities (as defined in section 560 of the 2006 Act) made by the Company.

16. **Share certificates**

Every certificate must specify:

- (A) in respect of how many shares, of what class, it is issued;
- (B) the nominal value of those shares;
- (C) the amount paid up on those shares; and
- (D) any distinguishing numbers assigned to them.

17. **Transfer and transmission of shares**

- 17.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 17.2 The directors may refuse to register the transfer of a share for any reason (including to a person they do not approve), and if they do so, unless they suspect that the proposed transfer may be fraudulent, the instrument of transfer must be returned to the transferee together with a notice of refusal giving reasons for the refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged for registration.

17.3 Article 27(3) of the Model Articles shall be amended by the insertion of the words "subject to Article 8.2" after the word "But".

17.4 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person nominated under Article 27(2)" after the words "the transmittee's name."

18. Transfer of Shares

18.1 Transfers of Shares may only be made accordance with Articles 18-25 unless the shareholders otherwise agree in writing.

18.2 Subject to Article 18.3, a B Shareholder seeking to sell or transfer any Shares may serve a Transfer Request Notice on the A Shareholder (and if he/she elects to do so a copy of such notice should be sent for information only to the Board). A B Shareholder may only serve a Transfer Request Notice during the Notice Period in respect of the financial period of the Company ending 30 November 2018 or in the Notice Period in respect of any subsequent financial period.

18.3 Each B Shareholder may only serve one Transfer Request Notice in any calendar year and it must be served in the 30 day period following the Circulation Date (the "Notice Period").

18.4 Where a Transfer Request Notice is served in the Notice Period in any year (and some/all of the Shares subject to the Transfer Request Notice are, at its election, acquired by the A Shareholder in accordance with this Article 18), a B Shareholder may not serve a second Transfer Request Notice until one year has elapsed from the date of the first Transfer Request Notice, or, if earlier, until the first day of the Notice Period in respect of the next following year.

18.5 A Transfer Request Notice shall stipulate the number of Shares a B Shareholder wishes to sell and the first Transfer Request Notice served by a B Shareholder shall specify a maximum of the higher of:

(A) one third of the B Shareholder's shareholding in the Company as set out in Schedule 1 to the Shareholders' Agreement (or the relevant Deed of Adherence (as defined in the Shareholders' Agreement) (as the case may be)); and

(B) one third of the B Shareholder's shareholding in the Company as at the date of the Transfer Request Notice,

as the Shares he/she wishes to be transferred.

18.6 The serving of a Transfer Request Notice by a B Shareholder shall, conditional on the A Shareholder issuing a Transfer Notice to such a B Shareholder referring to his/her Transfer Request Notice, oblige the B Shareholder to accept any offer made by the A Shareholder to purchase some or all of the Shares at the Offer Price pursuant to the terms and conditions set out in the Transfer Notice and execute a SPA relating to the Shares to be sold.

18.7 The A Shareholder shall have 30 days following receipt of the Transfer Request Notice to elect to issue a Transfer Notice stating:

- (A) the number of Shares it shall purchase;
- (B) the relevant Offer Price (which shall be paid in cash);
- (C) that the A Shareholder's acceptance is conditional on the execution of a SPA relating to the Shares to be sold; and,
- (D) any further conditions that must be satisfied before completion of the purchase can take place.

18.8 Completion of a transfer of Shares pursuant to this Article 18 shall be at the place and time stated in the relevant SPA when:

- (A) the proposing transferor shall deliver any and all share certificates (or a suitable indemnity in lieu thereof), a completed stock transfer form in respect of the Relevant Shares and any other documents required by the SPA to the A Shareholder; and,
- (B) the A Shareholder shall satisfy the Offer Price in cash.

For the avoidance of doubt a SPA (in the form prepared by the A Shareholder) shall be entered into by the relevant transferor and the A Shareholder where required by the A Shareholder in respect of transfers of Shares hereunder, including in relation to Good Leavers and Bad Leavers. In the event that a SPA is not entered into by any transferor of Shares hereunder, the terms of the pro-forma SPA attached to the Shareholders' Agreement shall be deemed incorporated into the terms of the relevant Transfer Request Notice, Transfer Notice, stock transfer form and any other documentation effecting such transfer, and shall be contractually binding upon the relevant B Shareholder for the benefit of the A Shareholder.

18.9 If a B Shareholder serves a Transfer Request Notice in a Notice Period and the A Shareholder elects to issue a Transfer Notice in relation thereto, the Offer Price to be set out in each Transfer Notice shall be calculated as the higher of:

- (A) a sum equal to the Net Asset Value less the Threshold Net Asset Value; and
- (B) (Company Profits - Threshold Profit Value) multiplied by the Relevant Multiple,

in each case, multiplied by the Relevant Proportion (the "Earn-out Formula").

18.10 Notwithstanding the provisions of Articles 18, 19 and 20, the A Shareholder shall have the right, in its absolute discretion, to waive the requirements for a Transfer Request Notice to be served (or deemed to be served) only within a Notice Period if, in its opinion, exceptional circumstances warrant the granting of such waiver.

19. **Transfer of Shares by a Good Leaver**

19.1 A Good Leaver shall be deemed to have given a Transfer Request Notice in respect of all his/her B Shares on the last day of the Notice Period commencing prior to the date that he became a Good Leaver unless the Good Leaver leaves between 30 November and the last day of the Notice Period in that same year in which case he shall be deemed to have given a Transfer Request Notice in respect of all his/her B Shares on the last day of the Notice Period after the date he became a Good Leaver.

19.2 If the A Shareholder elects to give a Transfer Notice to the Good Leaver, such Transfer Notice shall state an Offer Price using the Earn-out Formula, provided that, the Good Leaver Multiples shall apply.

19.3 The provisions of Articles 18.6 – 18.8 shall apply to a transfer of Shares by a Good Leaver.

20. Transfer of Shares by a Bad Leaver

20.1 A Bad Leaver shall be deemed to have given a Transfer Request Notice in respect of all his/her B Shares on the last day of the next Notice Period commencing after the date he/she became a Bad Leaver.

20.2 If a Transfer Request Notice is deemed to be given by a Bad Leaver and if the A Shareholder elects to give a Transfer Notice to the Bad Leaver, the Offer Price which the Bad Leaver shall be obliged to accept shall be, if the relevant Employment Cessation is:

- (A) before the second anniversary of Completion, the aggregate amount of £10;
- (B) on or after the second anniversary and before the third anniversary of Completion, the price which the Bad Leaver paid for all his/her Shares (as held as at the relevant date); and/or
- (C) on or after the third anniversary of Completion, based on the Earn-Out Formula where the Relevant Multiple shall be the Bad Leaver Multiple, such amount to be paid in three equal annual instalments, with the first such payment being made on completion of the acquisition of the Bad Leaver's B Shares.

20.3 The provisions of Articles 18.6 – 18.8 shall apply to a transfer of Shares by a Bad Leaver.

21. Third party offer for the Company

21.1 If an offer is made by or on behalf of a bona fide third party arm's length purchaser (such purchaser, for the avoidance of doubt, not being a member of the Harnham Group) (the "Offeror") to acquire all the issued Shares in the capital of the Company at an arm's length price (the "Third Party Offer") and the A Shareholder wishes to accept the Third Party Offer, then the A Shareholder shall notify all B Shareholders of:

- (A) the identity of the Offeror;
- (B) the offer price for each A Share; and
- (C) the offer price for each B Shares.

21.2 The offer price for each B Share shall be an amount equal to $\frac{C - \text{Current Valuation}}{S}$

where:

- (A) C is the aggregate value of the consideration payable pursuant to the Third Party Offer; and
- (B) S is the aggregate number of issued Shares which are the subject of the Third Party Offer.

21.3 Upon such notification and conditional only on acceptance of the Third Party Offer by the A Shareholder, the B Shareholders shall:

- (A) be deemed to have accepted the Third Party Offer in accordance with its terms and shall sell to the Offeror the B Shares held by him/her with full title guarantee and free of all liens, charges and encumbrances; and,
- (B) be obliged to deliver to the Offeror or his/her nominee an executed transfer of the B Shares held by him/her and the certificate(s) in respect of them (or a suitable indemnity in lieu thereof).

22. **Takeover offer**

22.1 In the event of an Offer, the A Shareholder grants to each B Shareholder the right, conditional upon any approval or consent required by law, regulation or the City Code on Takeovers and Mergers, (including, if applicable, the approval of shareholders of HGL) and upon the Offer becoming unconditional, to require the A Shareholder to purchase all of the Shares held by each B Shareholder for a price calculated as follows:

$$\frac{[\text{OP} - \text{HGL Threshold Value}] \times (\text{Exit Profit Value} - \text{Threshold Profit Value}) \times \text{Relevant Proportion}}{\text{HGL Exit Profit Value}}$$

Where:

- (A) OP is the aggregate amount payable under the Offer.
- (B) Exit Profit Value is the greater of:
 - (1) the EBIT of the Company (on a consolidated basis to the extent that the Company has Subsidiaries) for the relevant trading period (to be adjusted to a period of 12 months if longer or shorter than 12 months) as shown in the last audited financial statements of the Company; or
 - (2) the average EBIT of the Company (on a consolidated basis to the extent that the Company has Subsidiaries) for the two relevant trading periods (to be adjusted to a period of 12 months if longer or shorter than 12 months) as shown in the last two audited financial statements of the Company provided that, in the event that two sets of audited financial statements have not been prepared prior to the relevant date, the determination of the EBIT of the Company shall be adjusted accordingly so as to relate to the EBIT of the Company for any completed financial year of the Company for which audited financial statements have been prepared prior to such date (as shown in such financial statements).
- (C) HGL Exit Profit Value is an amount equal to the Harnham Group Profits; or if the Offer is made more than six months into a financial period, the annualised average of the Harnham Group Profits plus the actual EBIT of HGL and its Subsidiaries (based on HGL's management accounts) for the financial period in which the Offer is made].

22.2 The A Shareholder will give notice of the Offer to the B Shareholder(s) as soon as

reasonably practicable so that the B Shareholder(s) can exercise the Option and will procure (so far as it is reasonably able) that the Offeror makes it a term of the Offer that the Offeror will guarantee the obligations of the A Shareholder pursuant to this Article 22.

- 22.3 Each B Shareholder may exercise his/her Option during the Option Period in respect of all (but not part) of the Shares owned by him/her at the commencement of the Option Period.
- 22.4 The Option shall be exercised by a B Shareholder serving a Notice on the A Shareholder which shall be irrevocable and oblige the B Shareholder to transfer all of his/her B Shares.
- 22.5 If a Notice is so served the A Shareholder shall purchase the Shares of the relevant B Shareholder for cash or, at the A Shareholder's election, in the form (and proportions) of consideration offered pursuant to the Offer, provided that where any part of the consideration payable pursuant to the Offer is not settled in full on completion of the Offer (whether by reason of an element of such proceeds being deferred or being subject to a contingency or otherwise), the amount to be paid to a B Shareholder on completion of the acquisition of a B Shareholder's Shares pursuant to this Article 22 shall be in proportion which the total amount of the consideration payable on completion of the Offer bears to the maximum consideration payable under the Offer, and subsequent amounts payable to a B Shareholder will be paid in the same manner.
- 22.6 Completion of the acquisition of a B Shareholder's Shares pursuant to this Article 22 shall take place at registered office of HGL for the time being 7 days after the expiry of the Option Period (or at such other time and place as HGL may direct) when:
- (A) each B Shareholder who exercises the Option shall sell his/her Shares to the A Shareholder with full title guarantee free from all liens, charges and encumbrances and with all rights attached or attaching to them at or after the date of the Notice;
 - (B) each B Shareholder who exercises the Option shall deliver a duly completed and executed stock transfer form in favour of the A Shareholder in respect of his/her Shares together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof); and
 - (C) the Shareholders shall procure that a Board meeting is held at which the transfers of the Shares to the A Shareholder are approved (subject to them being appropriately stamped) and registered in the Company's books.
- 22.7 Any dispute as to the amount to be paid for any Shares of a B Shareholder shall be referred to HGL's auditors for the time being (or if they are unable to act a firm of international accountants appointed by the President of the Institute of Chartered Accountants in England and Wales) who shall act as experts and whose decision shall be final and binding upon the parties.
- 22.8 Each of the Shareholders hereby irrevocably waives all rights of pre-emption conferred on him/her by the Articles or otherwise over all Shares in respect of which a Notice is served.

23. **Default in the transfer of shares**

Each of the B Shareholders by way of security hereby irrevocably appoints each of the directors of the Company from time to time to be his/her agent and attorney to execute and deliver all necessary transfers and such other documents as the director thinks necessary so as to ensure the transfer of all of the B Shares to be transferred, such appointment being conditional only upon such a B Shareholder (a "defaulting Shareholder") becoming bound to transfer any Shares pursuant to any of clauses 18, 19, 20, 21 and/or 22 and failing to do so in a timely manner or failing to deliver share certificates relating to his/her B Shares or a suitable indemnity in lieu thereof. In addition, the Company is

hereby authorised to receive the purchase money on such a B Shareholder's behalf and shall thereupon (subject to the transfer being duly stamped) cause the name of the purchaser to be entered into the register of members as the holder of the relevant Shares. The Company shall hold the purchase money in trust for the defaulting Shareholder but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the purchaser who shall not be bound to see to the application thereof and after the name of the purchaser has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

24. **Tag along**

24.1 Except as required by Articles 19 or 20, no sale or transfer of any interest in any Shares (save for a transfer in favour of an A Shareholder) may be made or validly registered if, as a result of such sale or transfer and registration, a Controlling Interest in the Company would be obtained or increased by a person or persons Acting in Concert unless such persons are bona fide arms' length purchasers and have made an Approved Offer.

24.2 Any transfer of shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these articles.

25. **Drag along**

25.1 If the holders of 75% or more of the A Shares in issue for the time being (the "Majority Sellers"), wish to transfer all their interest in Shares (the "Majority Sellers' Shares") to a bona fide purchaser or purchasers Acting in Concert (the "Third Party Purchaser") who has made an Approved Offer, the Majority Sellers shall have the option (the "Exit Option") to require any holders of any options or other rights to acquire or convert an interest into Shares (which is fully and unconditionally exercisable) to exercise them and to require such holders of rights or options as well as all other Shareholders (other than the Majority Sellers) (together the "Called Shareholders") to sell and transfer all their Shares, including those allotted pursuant to such exercise or conversion (the "Called Shares") to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of articles 25.2 to 25.8 below.

25.2 The Majority Sellers may exercise the Exit Option by giving a written notice to that effect (an "Exit Notice") at any time before the transfer of the Majority Sellers' Shares to the Third Party Purchaser. An Exit Notice shall specify that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with Article 21) and the proposed date of transfer which shall be at least 5 working days after the date on which the Exit Notice is served.

25.3 Exit Notices shall be irrevocable but shall lapse if for any reason there is not a sale of the Majority Sellers' Shares by the Majority Sellers to the Third Party Purchaser within 30 working days after the date of service of the Exit Notice. The Majority Sellers shall be entitled to serve further Exit Notices following the lapse of any particular Exit Notice.

25.4 The Called Shares shall be acquired on the same terms and conditions (including time of payment and form of consideration) for which the Majority Sellers shall have agreed to sell.

25.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Majority Sellers' Shares unless the relevant Called Shareholder and the Majority Sellers agree otherwise.

25.6 Any restrictions in these Articles relating to transfers of shares shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in

respect of which an Exit Notice has been duly served in accordance with Article 25.2.

25.7 If any Called Shareholder fails to complete the sale of his Called Shares in accordance with this Article 25, he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Sellers to be his agent and attorney to execute all necessary transfer(s), power(s) of attorney relating to the rights attached to his Called Shares and indemnities for missing share certificate(s) on his behalf and, against receipt by the Company of the purchase monies or any other consideration payable for the Called Shares (held on trust for the relevant Called Shareholder), to deliver such transfer(s), power(s) and indemnities to the Third Party Purchaser (or as he may direct). The directors shall (subject only to stamping of the transfers, if required) immediately register the Third Party Purchaser (or as he may direct) as the holder of the relevant Called Shares. After the Third Party Purchaser (or his nominee) has been registered as the holder of the relevant Called Shares, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this Article 25.7 that no share certificate has been produced.

25.8 Upon any person, following the issue of an Exit Notice which has not lapsed, exercising a pre-existing option to acquire shares, whether or not such person is registered as a member of the Company, an Exit Notice shall be deemed to have been served upon such person on the same terms as the previous Exit Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article 45 shall apply mutatis mutandis to such person save that completion of the sale of such shares shall take place immediately upon the Exit Notice being deemed served on such person where completion of the transfer of the Called Shares has already taken place.

26. **Consolidation of shares**

26.1 This Article applies in circumstances where there has been a consolidation of shares and, as a result, shareholders are entitled to fractions of shares.

26.2 In the circumstances set out in Article 26.1, the directors may:

- (A) on behalf of those shareholders, sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and
- (B) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.

26.3 Where any shareholder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that shareholder's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

26.4 A person to whom shares are transferred pursuant to Article 26.2 is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

26.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

27. **Capitalisation of profits and purchase of own shares**

27.1 Article 36(4) of the Model Articles shall be amended by the addition of the words "or towards paying up any amounts unpaid on existing shares held by persons entitled or in" after the words "applied in."

27.2 Subject to the 2006 Act, but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the 2006 Act, including (without limitation) out of capital up to an amount in any financial year not exceeding the lower of:

(A) £15,000; and

(B) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

28. **Quorum at general meetings**

28.1 If and for so long as the Company has one shareholder only, one qualifying person present at a meeting shall be a quorum.

28.2 If and for so long as the Company has two or more shareholders, two qualifying persons present at a meeting shall be a quorum.

29. **Voting at general meetings**

29.1 On a vote on a resolution at a general meeting on a show of hands:

(A) each shareholder, who being an individual, is present in person has one vote;

(B) if a shareholder (whether such shareholder is an individual or a corporation) appoints one or more proxies in respect of different shares to attend the meeting, each such proxy has one vote but, subject to Article 29.2, if a proxy has been duly appointed by one or more shareholders entitled to vote on the resolution, that proxy has only one vote; and

(C) if a corporate shareholder appoints one or more persons in respect of different shares to represent it at the meeting, each person so appointed has one vote.

29.2 On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if:

(A) the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution; and

(B) the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more other of those shareholders to vote against it.

For the purposes of this Article 29.2, if a duly appointed proxy has received instructions from a shareholder to vote either for or against a resolution, that proxy will not be restricted from casting a second vote the other way under any discretionary voting authority he has been given by another shareholder.

29.3 On a vote on a resolution on a poll taken at a meeting, every shareholder has one vote in respect of each share held by him (whether present in person, by proxy or by authorised representatives).

29.4 On a poll taken at a meeting, all or any of the voting rights of a shareholder may be exercised by one or more duly appointed proxies.

29.5 A proxy must vote in accordance with any instructions given by the shareholder by whom the proxy is appointed. The Company is under no obligation to check whether a proxy has

voted in accordance with such instructions and the validity of any vote cast by a proxy will not be affected by the proxy failing to act in accordance with such instructions.

30. **Demand for a poll**

30.1 A poll may be demanded at any general meeting by the chairman of the meeting or by any qualifying person who is present and entitled to vote at the meeting.

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

31. **Delivery of proxy notices**

31.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate."

31.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "And a proxy notice which is not delivered in such manner shall be invalid unless the directors, in their discretion, accept the notice at any time before the meeting." as a new paragraph at the end of that article.

32. **Means of communication**

32.1 Subject to the provisions of the 2006 Act, a document or information may be sent or supplied by the Company to a person by being made available on a website.

32.2 In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

32.3 Any notice or other document served or delivered in accordance with the Articles shall be deemed duly served or delivered notwithstanding that the shareholder is then dead or bankrupt or otherwise under any legal disability or incapacity and whether or not the Company had notice thereof.

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

(A) 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 within 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);

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

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

- (D) 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.

- 32.5 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 2006 Act.

33. Borrowing Limit and obligation to subscribe for Additional Shares

- 33.1 In the event that the Board determines, from time to time, that additional borrowings are required for the operation of the business of the Company in excess of the Standard Borrowing Limit or any previously agreed Enhanced Borrowing Limit (as agreed under the terms of this Article 33.1 and Article 33.2) then it shall serve an Enhanced Borrowing Request on the company secretary of the A Shareholder.
- 33.2 Upon receipt of an Enhanced Borrowing Request the A Shareholder may, at its absolute discretion, approve such Enhanced Borrowing Request by issuing to the Company an Enhanced Borrowing Approval signed by a duly authorised signatory of the Company. The Enhanced Borrowing Limit set out in such Enhanced Borrowing Approval shall be deemed effective (and shall supersede any previously agreed Enhanced Borrowing Approval) immediately upon the date of receipt by the Company of such Enhanced Borrowing Approval.
- 33.3 The B Shareholders shall use their reasonable endeavours to procure that the Company does not in aggregate borrow more the Approved Borrowing Limit.
- 33.4 If the Company exceeds the Approved Borrowing Limit for any 28 Banking Days in any period of 60 days then the A Shareholder and B Shareholders shall (within 28 days of the expiry of the period of 60 days) subscribe for additional Shares in the Company in the following manner:
- (A) the A Shareholder and B Shareholders shall subscribe for such number of additional A Shares and B Shares (respectively) pro rata to their existing shareholdings for cash at a subscription price of £1 per Share as shall cause the amount of the issued paid up share capital (including the relevant share premium) of the Company to exceed the Average Excess Borrowing by 10%;
 - (B) if any B Shareholder fails to subscribe for the total number of B Shares to be issued to him/her in accordance with Article 33.4(A) then the A Shareholder may subscribe for such number of additional A Shares as shall make up the deficit, and such number of B Shares as have an aggregate value (based on a value of £1 per share) equal to the aggregate subscription price for the shares to be subscribed in accordance with Article 33.4(A) above shall be transferred to HGL provided that in no event shall the number of B Shares to be transferred by a B Shareholder exceed 50% of his holding of B Shares; and
 - (C) the Shareholders shall together procure the passing of such resolutions at a general meeting of the Company or if the Company so elects by written resolution authorising the allotment of such Shares, in compliance with all necessary legislation, as shall be necessary to give effect to this Article 33.
- 33.5 The interest rate applicable to:

- (A) the amount of borrowings up to and including the Standard Borrowing Limit shall be calculated as set out in part C of schedule 7 to the Shareholders' Agreement; and,
- (B) the Enhanced Borrowing Amount shall be calculated as set out in Part D of schedule 7 to the Shareholders' Agreement.

34. **Indemnity**

34.1 Subject to Article 34.3, a relevant director, secretary (if any), or other officer (excluding any auditor) of the Company or of an associated company may be indemnified out of the Company's assets against:

- (A) any liability incurred by such a person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (B) any liability incurred by such a person in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act); and
- (C) any other liability incurred by such a person as an officer of the Company or of an associated company.

34.2 Subject to Article 34.3, the Company may provide any relevant director, secretary (if any) or other officer (excluding any auditor) of the Company or of an associated company with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application relating to a liability referred to in Article 34.1 and otherwise may take any action to enable any such person to avoid incurring such expenditure.

34.3 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

34.4 In this Article 33 and in Article 35:

- (A) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (B) a 'relevant director' means any director, alternate director or former director of the Company or an associated company.

35. **Insurance**

35.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director, secretary or other officer (excluding any auditor) of the Company or of an associated company in respect of any relevant loss.

35.2 In this Article 35, 'relevant loss' means any loss or liability which has been or may be incurred by a relevant director, secretary or other officer (excluding any auditor) in connection with that person's duties, powers or office in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or any associated company.

36. **Change of company name**

Subject to the provisions of the 2006 Act, the name of the Company may be changed by a decision of the directors taken in accordance with the provisions of these Articles.