

Gateley / LEGAL



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TOTAL SWIMMING HOLDINGS LIMITED
(company number 12969865)

ARTICLES OF ASSOCIATION
adopted on 27 May 2022

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Company number: 12969865

PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
TOTAL SWIMMING HOLDINGS LIMITED

1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles the following definitions will apply:

Act
the Companies Act 2006;

acting in concert
has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;

Adoption Date
the date of the adoption of these Articles by the Company;

A Majority
the holder(s) for the time being of more than 50% of the A Ordinary Shares;

A Ordinary Shares
an A ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Auditors
the auditors of the Company for the time being or if, in relation to any reference made to such auditors in accordance with these Articles, the auditors of the Company are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by, the Directors, with the consent of an A Majority, and acting as agent for the Company and each relevant Shareholder;

B Ordinary Shares
a B ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Business Day
any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for normal business;

Change of Control
the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company;

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

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

Encumbrance

any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other security interest having a similar effect howsoever arising (but excluding any such rights or arrangements arising under these Articles or the Option Agreement);

Model Articles

the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;

Option Agreement

the put and call option agreement relating to the Company, entered into on the Adoption Date between the Company and the Shareholders on that date;

Relevant Securities

any Shares, or any right to subscribe for or convert any securities into any Shares;

Share

any share of any class in the capital of the Company for the time being;

Shareholder

a registered holder for the time being of an issued Share, as recorded in the register of members of the Company;

Special Majority

the holder(s) for the time being of more than 50% of the A Ordinary Shares and more than 50% of the B Ordinary Shares; and

Third Party Purchaser

any bona fide arm's length purchaser who is not a Shareholder or connected to a Shareholder for the time being.

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

1.3 In these Articles a reference to:

1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;

1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);

1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);

1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form other than email and fax;

1.3.5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and

- 1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 All consents or approvals to be given by an A Majority, a Special Majority or any Shareholder in respect of any provision of these Articles must be given in writing.
- 1.5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party.
2. RIGHTS ATTACHING TO SHARES
- 2.1 The rights attaching to the Shares are as follows:
 - 2.1.1 Income

No dividends or other distribution of any kind shall be made without the consent of an A Majority. Any profits available for distribution and resolved to be distributed in respect of any accounting period of the Company shall be distributed amongst the Shareholders pro rata according to the number of Shares held by each of them respectively.
 - 2.1.2 Capital

On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares), any surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the Shareholders pro rata according to the number of Shares held by each of them respectively.
 - 2.1.3 Voting

Subject to the provisions of the Act, at a general meeting of the Company on a show of hands every Shareholder who (being an individual) is present in person or by proxy, or (being a corporation) is present by a representative duly authorised under section 323 of the Act, shall have one vote and on a poll every Shareholder present in person, by representative or by proxy shall have one vote for every Share of which it is the holder. On a written resolution every Shareholder shall have one vote for each Share of which it is the holder.
3. ISSUE OF SHARES
- 3.1 No Relevant Securities shall be allotted by the Company unless within 20 Business Days prior to the allotment of such Relevant Securities a Special Majority has consented in writing to such allotment and to the identity of the proposed allottee.
- 3.2 Subject to article 3.1, the Directors may allot, grant or otherwise dispose of Relevant Securities to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that no Share shall be issued at a discount.
- 3.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.

4. TRANSFER OF SHARES - GENERAL

4.1 Subject to article 4.2 and 4.3, the Directors shall forthwith register any duly stamped transfer made in accordance with, or permitted by, or required by these Articles and/or the Option Agreement. Article 26(5) of the Model Articles shall not apply to the Company.

4.2 No transfer, other than one made under article 5, 6 or 7, or permitted or required in accordance with the Option Agreement, shall be permitted or registered by the Directors.

4.3 No transfer, other than one made under article 6 or 7 shall be registered unless the relevant transferee, if not already a party to the Option Agreement, has entered into a deed of adherence to, and in the form required by, the Option Agreement.

5. PERMITTED TRANSFERS

5.1 Transfer with consent

Any Shares may be transferred at any time with the prior written consent of an A Majority or in accordance with the terms of the Option Agreement.

5.2 Transfer within corporate group

Any Shareholder which is a body corporate may at any time transfer some or all of the Shares held by it to a company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company (each a member of the same group). Where, following a transfer or series of transfers of Shares pursuant to this article 5.2, the transferee of any Shares ceases at any time for any reason to be a member of the same group as the original transferor of those Shares, such transferee shall forthwith transfer all the Shares held by it to the original transferor (or another member of the same group as the original transferor) for such consideration as they may agree between them.

6. DRAG ALONG

6.1 Subject to article 6.10, if, following the second anniversary of the Adoption Date, an A Majority (together the Selling Shareholders) wish to transfer all their Shares to a Third Party Purchaser, they shall have the option (a Drag Along Option) to require all of the other Shareholders (the Continuing Shareholders) to transfer all their Shares with full title guarantee to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this article 6.

6.2 The Selling Shareholders shall exercise the Drag Along Option by giving notice to that effect (a Drag Along Notice) to each of the Continuing Shareholders at any time before the registration of the transfer of the Selling Shareholders' Shares. A Drag Along Notice shall specify:

6.2.1 that the Continuing Shareholders are required to transfer all their Shares (the Continuing Shares) pursuant to this article 6;

6.2.2 the identity of the Third Party Purchaser;

6.2.3 the consideration for which, or the price at which, the Continuing Shares are to be transferred, determined in accordance with article 6.4 (the Drag Along Consideration); and

6.2.4 the proposed date of transfer (if known).

6.3 A Drag Along Notice may be revoked by the Selling Shareholders at any time prior to the completion of the sale and purchase of the Continuing Shares.

6.4 The Drag Along Consideration shall be the same consideration per Continuing Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Share held by the Selling Shareholders together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Shareholders which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Selling Shareholders.

- 6.5 If the Drag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 60% of the Continuing Shares within 10 Business Days of the date of service of the Drag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 20) and, pending their determination, the sale or transfer of the Selling Shareholders' Shares shall have no effect and shall not be registered.
- 6.6 Upon the service of a Drag Along Notice each Continuing Shareholder is required, as a legally binding commitment, not to divulge or communicate to any third party either the fact that the Selling Shareholders wish to transfer their Shares to a Third Party Purchaser or any other information concerning the sale and purchase of any of the Selling Shareholders' Shares or the Continuing Shares pursuant to this article 6.
- 6.7 Completion of the sale and purchase of the Continuing Shares shall take place on the same date as completion of the sale and purchase of the Selling Shareholders' Shares (unless an A Majority and all of the Continuing Shareholders shall agree otherwise).
- 6.8 Upon the service of a Drag Along Notice each Continuing Shareholder shall be deemed to have irrevocably appointed each of the Selling Shareholders (severally) as the agent of the Continuing Shareholder to execute, in the name of and on behalf of that Continuing Shareholder, any stock transfer form and covenant for full title guarantee in respect of the Continuing Shares registered in the name of that Continuing Shareholder and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Continuing Shares pursuant to this article 6.
- 6.9 The provisions of this article 6 shall prevail over any contrary provisions of these Articles.
- 6.10 Upon any person (a New Shareholder) becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Shareholder. Upon the deemed service of a Drag Along Notice pursuant to this article 6.10 the New Shareholder shall become bound to sell and transfer to the Third Party Purchaser (or as the Third Party Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 6 shall apply mutatis mutandis to the sale of any such Shares by such New Shareholder provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 6.10.1 the date on which a Drag Along Notice is deemed to have been served on the New Shareholder pursuant to this article 6.10; and
- 6.10.2 the date of completion of the sale and purchase of the Continuing Shares pursuant to the original Drag Along Notice.
7. TAG ALONG
- 7.1 Save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 5, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the Committed Shares) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration the relevant Third Party Purchaser has made a bona fide offer (a Tag Along Offer) by notice in writing (a Tag Along Notice) to acquire, in accordance with this article 7, from all the Shareholders other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the Uncommitted Shares) for the consideration, or at the price, (the Tag Along Consideration) calculated in accordance with articles 7.3 and 7.4.
- 7.2 A Tag Along Notice shall:
- 7.2.1 state the Tag Along Consideration (subject to article 7.4);
- 7.2.2 state the identity of the Third Party Purchaser;
- 7.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and

- 7.2.4 subject to article 7.4.1, expire, and the offer made in the Tag Along Notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 20 nor more than 30 Business Days after the date of service of the Tag Along Notice) specified in the Tag Along Notice.
- 7.3 For the purposes of this article 7 the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 7.4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 60% of the Uncommitted Shares within 10 Business Days of the date of service of the Tag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 20) and, pending their determination:
 - 7.4.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Auditors determination of the Tag Along Consideration is served on the Third Party Purchaser and the Shareholders holding Uncommitted Shares; and
 - 7.4.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.
- 8. GENERAL MEETINGS
 - 8.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two or more Shareholders together constituting not less than an A Majority, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum.
 - 8.2 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved".
 - 8.3 A poll may be demanded at any general meeting by:
 - 8.3.1 the chairman; or
 - 8.3.2 by any Shareholder present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution.

Article 44(2) of the Model Articles shall not apply to the Company.
 - 8.4 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.".
 - 8.5 Article 45(1) of the Model Articles shall be amended as follows:
 - 8.5.1 by the deletion of the words in Article 45(1)(d) and the insertion of the following in their place: "is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate."; and
 - 8.5.2 by the insertion of the following as a new paragraph at the end of Article 45(1): "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion subject to the consent of an A Majority accept the proxy notice any time before the meeting.".

9. APPOINTMENT AND REMOVAL OF DIRECTORS

9.1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than two and is not subject to any maximum.

9.2 The office of a Director (other than a Director appointed by the holders of the A Ordinary Shares) shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon:

9.2.1 a Transfer Event (as defined in the Option Agreement) being notified to the Director during the Default Option Period (as defined in the Option Agreement) in accordance with the Option Agreement;

9.2.2 in the case of an executive Director only, that Director ceasing for any reason whatsoever to be employed by the Company or any other Group Company in circumstances where he does not remain, or immediately become, an employee of another Group Company;

9.2.3 that Director failing to take part in any directors' decisions for a period of more than 6 consecutive months and the Directors, with the consent of an A Majority, resolving that his appointment as a Director should terminate (and the director in question shall not be an "Eligible Director" for the purposes of such resolution of the Directors); or

9.2.4 all the other Directors requesting his resignation by notice in writing or Member(s) holding more than 50% of the total voting rights normally exercisable at any general meeting of the Company requesting his resignation by notice in writing. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more persons) must be left at or sent by post to the registered office of the Company (or another address nominated by the Directors, with the consent of an A Majority, for this purpose) and the resignation shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

9.3 Article 18 of the Model Articles shall be extended accordingly.

9.4 The Shareholders shall be entitled to appoint directors of the Company as follows:

9.4.1 the holders of the A Ordinary Shares shall be entitled to appoint up to four persons to be non-executive directors of the Company, and from time to time and on more than one occasion, remove or replace any person appointed by them; and

9.4.2 the holders of a majority of the B Ordinary Shares shall be entitled to appoint up to three persons to be directors of the Company, and subject to the provisions of the Option Agreement, from time to time and on more than one occasion, remove or replace any person appointed by them.

9.5 Any appointment or removal pursuant to this article 9 shall be made by notice in writing to the Company signed by or on behalf of the relevant Shareholder(s). Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

9.6 Upon written request from the holders of the A Ordinary Shares or the B Ordinary Shares (as the case may be), the Company shall procure that any Director appointed pursuant to article 9.4.1 or 9.4.2 is appointed as a director of any other Group Company indicated in such request.

10. APPOINTMENT OF CHAIRMAN

10.1 The chairman of the board of Directors shall be nominated in writing by Shareholder(s) constituting an A Majority. Article 12 of the Model Articles shall not apply to the Company.

10.2 Any appointment or removal of the chairman of the Directors pursuant to article 10.1 shall be made by notice in writing to the Company signed by or on behalf of the relevant

Shareholder(s). Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

- 10.3 If the chairman for the time being is unable to attend any meeting of the Directors then the Shareholder(s) who appointed him shall be entitled to nominate another Director to act as chairman of that meeting.

11. ALTERNATE DIRECTORS

- 11.1 Any Director (in this article 11, an appointor) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

11.1.1 exercise that Director's powers; and

11.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.

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

- 11.3 The notice must:

11.3.1 identify the proposed alternate; and

11.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

- 11.4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

- 11.5 Save as provided otherwise in these Articles, alternate Directors:

11.5.1 are deemed for all purposes to be Directors;

11.5.2 are liable for their own acts and omissions;

11.5.3 are subject to the same restrictions as their appointors; and

11.5.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.

- 11.6 A person who is an alternate Director but not a Director:

11.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

11.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and

11.6.3 shall not be counted as more than one Director for the purposes of articles 11.6.1 and 11.6.2.

- 11.7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

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

Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

11.9 The appointment of an alternate Director terminates:

- 11.9.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
- 11.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
- 11.9.3 on the death of the alternate's appointor;
- 11.9.4 when the appointment of the alternate's appointor as a Director terminates; or
- 11.9.5 when written notice from the alternate, resigning his office, is received by the Company.

12. PROCEEDINGS OF DIRECTORS

12.1 Save where the Company has a sole Director, two Eligible Directors (one of whom shall be appointed by Shareholder(s) constituting an A Majority), present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 14 if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. Article 11(2) of the Model Articles shall not apply to the Company.

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

13. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

13.1 Subject to sections 177 and 182 of the Act and (where applicable) to any terms and conditions imposed by the Directors under article 14.3, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company:

- 13.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 13.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
- 13.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
- 13.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 13.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 13.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of

any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

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

14. DIRECTORS' CONFLICTS OF INTEREST

14.1 Subject to the consent of an A Majority, the Directors may, in accordance with the requirements set out in this article 14, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a Conflict).

14.2 Any authorisation under this article will be effective only if:

14.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

14.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and

14.2.3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.

14.3 Any authorisation of a Conflict under this article 14 shall be in recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently:

14.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

14.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and

14.3.3 be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

14.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

14.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or

14.4.2 use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence.

14.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

14.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;

14.5.2 is not given any documents or other information relating to the Conflict; and

14.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

14.6 Where the Directors authorise a Conflict:

14.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and

- 14.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of their authorisation.
- 14.7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in, a Shareholder who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company) and no authorisation under article 14.1 shall be necessary in respect of such interest.
- 14.8 Any Director shall be entitled from time to time to disclose to the Shareholder(s) who appointed him such information concerning the business and affairs of the Company as he may, in his absolute discretion, see fit.
- 14.9 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
15. DIRECTORS' BENEFITS
- 15.1 Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of an A Majority".
- 15.2 Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of an A Majority and".
16. SECRETARY
- The Directors may appoint any person who is willing to act as the secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.
17. SERVICE OF DOCUMENTS
- 17.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:
- 17.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- 17.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
- 17.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 17.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 17.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- For the purposes of this article 17.1, no account shall be taken of any part of a day that is not a working day.
- 17.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

18. INDEMNITY

18.1 Subject to article 18.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

18.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the activities of the Company (or any Group Company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (or any Group Company); and

18.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 18.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

18.2 This article 18 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

18.3 In this article 18 and in article 19 a relevant officer means any director or other officer or former director or other officer of the Company or any (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

18.4 Article 52 of the Model Articles shall not apply to the Company.

19. INSURANCE

19.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, or any pension fund or employees' share scheme of the Company.

19.2 Article 53 of the Model Articles shall not apply to the Company.

20. DISPUTES

Where these Articles provide for any dispute in relation to a particular matter to be determined pursuant to this article 20, such dispute shall be referred, at the request of any Shareholder or Director, to the Auditors. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Shareholders. The cost of such reference shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Auditors, equally by the parties concerned.

21. PURCHASE OF OWN SHARES OUT OF CASH

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

22. MISCELLANEOUS

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