

THE COMPANIES ACTS 1985 - 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BIOINDUCTION LIMITED
(the "**Company**")

(Adopted by Special Resolution
passed on 13th February 2017)



1 PRELIMINARY

1.1 In these Articles:

"**Acts**" means the Companies Acts as defined in section 2 of the Companies Act 2006;

"**Agreement**" means a shareholders' agreement dated 13th February 2017 between the Existing Shareholders (as defined in the Agreement) and the Company;

"**Articles**" means these Articles of Association as from time to time altered by special or written resolution;

"**Directors**" means the directors from time to time of the Company and "**Director**" shall be construed accordingly;

"**Family Member**" in relation to any Shareholder that Shareholder's spouse and children (including adopted children) provided in each case they are at least 18 years of age;

"Family Trust" is a trust whose beneficiaries are exclusively Family Members;

"Fair Value" means the value as determined in accordance with article 8;

"person" means a natural or legal person (including bodies corporate);

"Shareholder" means a holder of Shares or, as the context requires, some or all of such persons;

"Shares" means the ordinary shares of £0.01 each in the capital of the Company;

"Statutes" means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act concerning companies and affecting the Company; and

1.2 The articles constituting Schedule 1 to the Companies (Model Articles) Regulations 2008 ("**Schedule 1**") shall apply to the Company, except insofar as they are excluded or varied by these Articles.

1.3 Any expression defined in article 1 of Schedule 1 shall bear the same meaning in these articles unless the context otherwise requires,

1.4 Any expression defined in the Agreement shall bear the same meaning in these articles unless the context otherwise requires.

2 SHARES

2.1 At the date of the adoption of these Articles, the issued share capital of the Company is £4,047.32 divided into 404,732 Ordinary Shares of £0.01 each, each of which has been fully paid;

2.2 Subject to the provisions of Articles 2.3 and 2.4 inclusive, the Directors may unconditionally exercise the power of the Company to issue shares to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no Shares shall be issued at a discount.

2.3 The maximum nominal amount of share capital which, or in respect of which, the Directors may allot, grant options or subscription or conversion rights, create, deal or otherwise dispose of in accordance with this Article shall be £1,500.00.

2.4 The authority conferred on the Directors by Articles 2.2 and 2.3 shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles.

- 2.5 The provisions of section 561(1) of the Act shall not apply to the Company.

3 TRANSFERS AND ALLOTMENTS OF SHARES

- 3.1 **No transfer:** The Shareholders hereby agree that they will not dispose of any interest or create any encumbrance over any Shares except to a transferee in accordance with the Articles.

- 3.2 **Permitted transfer:** A shareholder may only be permitted to transfer the legal title to and/or the beneficial ownership of a share with the prior written consent of the Board.

- 3.3 Subject to article 3.2, any Shares may at any time be transferred:

- (a) with the prior written consent of the Board; or
- (b) if the Company at its sole discretion and if it is legally able to do so buys back the Shares at the Fair Value or such other value as is agreed between the Company and the relevant Shareholder(s)
- (c) in the case of a Shareholder who is an individual, to a Family Member of that shareholder or to trustees to be held on Family Trusts of that shareholder; or
- (d) in accordance with articles 4 and 5 below.

- 3.4 **Transfer Notice Procedure:** Except for a transfer of Shares in accordance with article 3.2 above, no Shares may be transferred by any Shareholder unless all his Shares are transferred (and not part only) and he transfers the entire legal and beneficial interest in them and the following provisions are complied with:

- (a) **Transfer Notice:** A Shareholder ("**Seller**") wishing to transfer his Shares ("**Sale Shares**") shall give notice in writing ("**Transfer Notice**") to the Company and all the other Shareholders ("**Ongoing Shareholders**") specifying the details of the proposed transfer, including the identity of the proposed buyer(s) (if any) and the price for the Sale Shares.
- (b) **Buy Back:** Within 10 Business Days of receiving the Transfer Notice, the Company shall be entitled to give written notice to the Seller and the Ongoing Shareholders that it wishes to (subject to it being legally able to do so):

- (i) buy back the Sale Shares at the price specified in the Transfer Notice; or
 - (ii) buy back the Sale Shares but that the price specified in the Transfer Notice is too high.
- (c) **Buy Back Price:** If the Company gives notice under article (b)(ii) 3.4, the Company shall be entitled to instruct the Auditors (if any) or an independent firm of chartered accountants nominated under article 8.3 ("Independent Accountant"), within 15 Business Days of receiving the Transfer Notice, to determine the Fair Value of the Sale Shares in accordance with article 8 and the Auditors or Independent Accountant shall serve notice of their determination as to the Fair Value on the Company and the Seller.
- (d) **Buy Back Notice:** Within 10 Business Days of receiving the Auditor's or Independent Accountant's determination as to the Fair Value of the Sale Shares, the Company shall give the Seller and the Ongoing Shareholders written confirmation whether it:
 - (i) wishes to purchase the Sale Shares at either the price specified in the Transfer Notice or the Fair Value; or
 - (ii) does not wish to purchase the Sale Shares.
- (e) **Pre-emption provisions to Ongoing Shareholders:** Within 20 Business Days of receiving the Transfer Notice where the Company has not served notice in accordance with article 3.4(b) above or within 5 Business Days of the Company's notice under article 3.4(d)(ii) any of the Ongoing Shareholders may give written notice to the Seller ("**Notice to Purchase**") saying that they wish to:
 - (i) purchase all or some of the Sale Shares at the price specified in the Transfer Notice; or
 - (ii) purchase all or some of the Sale Shares but that the price specified in the Transfer Notice is too high.
- (f) **Agree price at Fair Value:** if any Ongoing Shareholder wishes to purchase any of the Sale Shares but considers the price specified in the

Transfer Notice to be too high, the parties shall endeavour to agree a price. If the parties fail to reach agreement within 10 Business Days of the Notice to Purchase:

- (i) the Auditors or Independent Accountant shall determine the Fair Value of the Sale Shares in accordance with article 8 and shall serve notice of their determination as to the Fair Value on the Seller and the Ongoing Shareholders; or
 - (ii) where the Company has instructed the Auditors or Independent Accountant to determine the Fair Value of the Sale Shares under article 3.4(c), such Fair Value determination will apply and be binding on the parties.
- (g) **Seller's right to revoke:** if the Seller does not agree with the Fair Value as certified in the Auditors' or Independent Accountant's written notice (whether under articles 3.4(c) or article 4.4(f), he may revoke the Transfer Notice by notice in writing to the Company and the Ongoing Shareholders:
 - (i) within 10 Business Days of delivery of the Auditors' or Independent Accountant's written notice under articles 3.4(c) or (f)(i) 3.4(f)(i); or
 - (ii) where article 3.4(f)(ii) applies, within 25 Business Days of the Notice to Purchase.
- If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these articles.
- (h) **Ongoing Shareholders' right to revoke:** if any Ongoing Shareholder does not agree with the Fair Value as certified in the Auditors' or Independent Accountant's written notice (pursuant to article 3.4(f)), he may revoke his Notice to Purchase by notice in writing to the Company and the Seller:
 - (i) within 10 Business Days of delivery of the Auditors' or Independent Accountant's written notice under article 3.4(f)(I); or
 - (ii) where article 3.4(f)(ii) applies, within 25 Business Days of the Notice to Purchase.

- (i) **Pro rata allocation:** for the avoidance of doubt each Ongoing Shareholder who expresses a desire to purchase the Sale Shares shall be entitled to such Sale Shares in the first place pro rata to his current shareholding in the Company. If not all the Ongoing Shareholders express a desire to purchase their allocation of Sale Shares the remaining Ongoing Shareholders who have expressed an interest will be entitled to such excess Sale Shares pro rata their existing holding.
 - (j) **Sale:** Completion of the sale of any Sale Shares pursuant to this article 3 shall take place in accordance with article 7 .
 - (k) **Sale to third party:** If any or all the Sale Shares are not purchased by the Company or any of the Ongoing Shareholders pursuant to this article 3:
 - (i) the Seller is entitled to transfer the Sale Shares to the third-party buyer identified in the Transfer Notice (if any) or such other third party buyer at a price not less than the price specified in the Transfer Notice (or the Fair Value, if lower); and
 - (ii) the Seller shall unless the Board decide otherwise procure that prior to completion of such transfer the transferee enters a Deed of Adherence agreeing to be bound by the terms of these articles as if it were a party to it.
- 3.5 Each of the Shareholders undertakes with the other that he shall procure that prior to and as a condition precedent of any transfer of his Shares (other than to an existing Shareholder) any transferee shall enter a Deed of Adherence.
- 3.6 The parties agree to extend the benefit of these articles to any person who acquires Shares in accordance with these articles and enters a Deed of Adherence but without prejudice to the continuation *inter se* of the rights and obligations of the original parties to these articles and any other person who has entered into a Deed of Adherence.
- 3.7 The Shareholders agree that prior to and as a condition precedent of any issue of Shares (other than to an existing Shareholder) any allottee shall enter into a Deed of Adherence.

4 TRANSFERS OF A SIGNIFICANT INTEREST ("TAG")

- 4.1 Except in the case of transfers pursuant to article 5, and after going through the pre-emption procedure set out in article 3, the provisions of this article 4 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 4.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("**Offer**") to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**").
- 4.3 The Offer shall be given by written notice ("**Offer Notice**"), at least 15 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 4.4 If the Buyer fails to make the Offer to all holders of Shares in accordance with this article 4, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 4.5 If the Offer is accepted by any Shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

5 DRAG ALONG

- 5.1 **Percentage required:** If the holders of 75% or more of the Shares in issue for the time being ("**Selling Shareholders**") wish to transfer all of their interest in their Shares ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholders may require all other Shareholders ("**Called Shareholders**") to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this clause ("**Drag Along Option**").
- 5.2 **Exercise of Drag Along:** The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this article 5;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 5.3 **Lapse of Drag Along Notice:** Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 5.4 **Agreement of terms:** No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 5.
- 5.5 **Completion:** Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:

- (a) all the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15 Business Days after service of the Drag Along Notice.
- 5.6 **Any rights of pre-emption not to apply:** The rights of pre-emption set out in these articles shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 5.7 **Completion procedure:** Within 15 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company as agent for the Called Shareholders. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares pursuant to this article 5 to the extent that the Proposed Buyer has transferred to the Company the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to this article 5 in a separate account designated trust for the Called Shareholders without any obligation to pay interest.
- 5.8 **Where Company not in funds:** To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to this article 5, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 5 in respect of their Shares.
- 5.9 **Appointment of attorney:** If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the

consideration payable for the Called Shares and to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article 5.9.

- 5.10 **Drag along to apply to new Shareholders exercising options:** Following the issue of a Drag Along Notice, any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the Company or on the conversion of any convertible security of the Company (a **"New Shareholder"**), shall be deemed to have been served with a Drag Along Notice on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 5 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

6 EVENTS OF DEFAULT

- 6.1 **Deemed Transfer Notice:** A Shareholder is deemed to have served a Transfer Notice under article 3.4 immediately before any of the following events:
- (a) his death; or
 - (b) a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
 - (c) where the Shareholder is a corporate entity, a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Shareholder, other than for the sole purpose of a scheme for a solvent amalgamation of the Shareholder with one or more other companies or the solvent reconstruction of the Shareholder; or
 - (d) where the Shareholder is a corporate entity, an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Shareholder; or

- (e) he commits a material breach of any obligation under these articles and fails to remedy such breach within 15 Business Days of notice to remedy the breach being served by all the other Shareholders.

6.2 Effect of Deemed Transfer Notice: The deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares and the parties shall refer the question of a valuation to the Auditors or Independent Accountant in accordance with article 8;
- (b) the Auditors or Independent Accountant are required to determine the Fair Value for the Shares;
- (c) the Seller does not have a right of withdrawal following a valuation by the Auditors or Independent Accountant;
- (d) on the completion of any sale in accordance with this clause, the buyer is not required to procure the discharge of any security given by the Seller or to procure the release of any debts of the Company to him; and
- (e) if the Ongoing Shareholders do not accept the offer in the deemed Transfer Notice or the Company does not buy back the Sale Shares:
 - (i) the Seller or his personal representative is entitled to transfer the Sale Shares to a third-party buyer at a price not less than Fair Value; and
 - (ii) the Seller or his personal representative shall unless the Board decide otherwise procure that prior to completion of such transfer the transferee enters into a Deed of Adherence agreeing to be bound by the terms of these articles as if it were a party to it.

7 COMPLETION OF SHARE PURCHASE

- 7.1** Completion of the sale and purchase of Shares under article 3 of these articles shall take place on the date following 60 Business Days after the day of delivery of the Transfer Notice, unless the Auditors or an independent firm of chartered accountants have been requested to determine Fair Value in which case

completion shall take place within 30 Business Days of delivery of the Auditors' or Independent Accountant's Fair Value notice.

7.2 Completion Procedures: At completion:

- (a) the Seller shall deliver, or procure that there is delivered to the Company and/or the Ongoing Shareholders, a duly completed share transfer form transferring the legal and beneficial ownership of the Sale Shares to the Company and/or the Ongoing Shareholders, together with the relevant share certificates and such other documents as the Company and/or the Ongoing Shareholders may reasonably require to show good title to the Shares, or to enable them to be registered as the holders of the Shares;
- (b) the Company and/or the Ongoing Shareholders shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the purchase price;
- (c) the Ongoing Shareholders may elect to pay for the Sale Shares by 12 equal successive monthly instalments, the first such payment to be paid by bankers draft on the date specified for completion and the following 11 monthly instalments being paid on the last Business Day of each month following whereupon the Board will remit the amount of each instalment received (less any reasonable fees and expenses) immediately to the Seller at the Seller's last known address. The balance of the purchase price for the time being outstanding shall bear interest at the rate of 2% per annum above the base rate for the time being of the Bank of England and such interest shall be computed on a day to day basis as from the date specified for completion and shall be paid at the same date as the instalments above referred to. If any instalment or any accrued interest shall not be paid for more than three instalments on the due date, then the whole of the balance then outstanding shall become immediately due and payable and further if any one instalment is not paid on the due date, the amount due in respect of the unpaid instalment shall bear interest from the due date until the date of actual payment at the rate of 4% per annum above the base rate for the time being of the Bank of England. Any interest rate specified in this article 7.2(c) shall, in the event that it is lower than the RPI at the time, be adjusted to at least be equal to the RPI effective at the time; and

- (d) if following the sale the Seller holds no further Shares in the Company, the Seller shall, if he is a director, deliver his resignation as a director and/or procure that there are delivered to the Company resignations from any directors appointed by the Seller, such resignations to take effect at completion of the sale of the Shares.

7.3 The Shares are sold by the Seller with full title guarantee.

7.4 The parties shall procure the registration (subject to due stamping by the Ongoing Shareholders or the third-party buyer,) of the transfers of Shares in the Company effected pursuant to this clause and each of them consents to such transfers and registrations under these articles.

8 FAIR VALUE

8.1 The Fair Value for any Shares to be transferred under these articles is that proportion of the amount the Auditors consider to be the fair value of the entire issued share capital of the Company that the Seller's Shares bear to the entire issued share capital of the Company (with no discount for the size of the Seller's shareholding).

8.2 In determining the Fair Value of the entire issued share capital of the Company, the Auditors shall apply the following assumptions:

- (a) the sale is between a willing seller and a willing buyer;
- (b) the Shares are sold free of all restrictions, liens, charges and other encumbrances; and
- (c) the sale is taking place on the date the Auditors were requested to determine the Fair Value.

8.3 Where there are no Auditors or if the Auditors decline the instruction to determine the Fair Value, the Fair Value shall be determined by an independent firm of accountants appointed by the Seller and by the Continuing Shareholders or, in the absence of agreement between them on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period following service of a Notice to Purchase, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

9 GENERAL MEETINGS

9.1 A general meeting called for the passing of a special resolution or an elective resolution or a resolution appointing a person as a Director shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 days' notice but a general meeting, other than one called for the passing of an elective resolution, may be called by shorter notice if so agreed:

- (a) by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent. in nominal value of the Shares giving that right or such lesser percentage, not being less than 90 per cent., as may be specified in or pursuant to any elective resolution passed by the Company.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it.

Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all members and to the Directors and the auditors.

9.2 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. Three members present in person or by proxy shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 375 of the Act.

9.3 A poll may be demanded at any general meeting by the Chairman of the meeting or by any member present in person or by proxy. Regulation 46 shall be modified accordingly.

9.4 A resolution in writing signed by or on behalf of the requisite number of eligible Members of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting of any class of Members of the Company shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. The resolution may be contained in one document or in several documents each stating the terms of the resolution accurately and signed by or on behalf of one

or more of the Members. This Article is in addition to, and not limited by, the provisions in sections 300, 332 and 502 of the Act 2006.

9.5 At or before the time that a resolution in writing is supplied to members for signature, the Company, if it is required by section 502 of the Acts to do so, shall send a copy of the proposed resolution to the auditors.

9.6 On a show of hands every member present in person or by proxy shall have one vote and on a poll every member so present shall have one vote for every Share of which he is the holder.

10 DIRECTORS

10.1 Unless and until determined by a special resolution of the Company, the maximum number of Directors shall be six and the minimum shall be two.

11 POWERS AND DUTIES OF DIRECTORS

11.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him. Regulation 94 shall be modified accordingly.

12 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

12.1 Any director (the 'appointor') may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

12.1.1 exercise that director's powers; and

12.1.2 carry out that director's responsibilities

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

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

12.3 The notice must:

12.3.1 identify the proposed alternate; and

12.3.2 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.

12.4 An alternate director has the same rights, in relation to any directors' decision making process (including any directors' meeting or part of a directors' meeting), as the alternate's appointor.

12.5 Except as these articles specify otherwise, alternate directors:

12.5.1 are deemed for all purposes to be directors;

12.5.2 are liable for their own acts and omissions;

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

12.5.4 are not deemed to be agents of or for their appointors.

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

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

12.6.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

12.7 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's

appointor's remuneration as the appointor may direct by notice in writing made to the Company.

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

12.8.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

12.8.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

12.8.3 on the death of the alternate's appointor; or

12.8.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

13 PROCEEDINGS OF DIRECTORS

13.1 Subject to the provisions of these Articles and to any Agreement from time to time between the members, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. The quorum for the transaction of business at any meeting of the Directors shall be two.

13.2 Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting.

13.3 The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies in their number.

13.4 For Article 13 of Schedule 1 there shall be substituted the following: "If the number of votes for and against a proposal are equal, no person shall have a second or casting vote."

14 INDEMNITY

- 14.1 Subject to the provisions of, and so far as may be consistent with, the Statutes but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.