

Company No. 5221402

THE COMPANIES ACTS 1985 AND 1989

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PRIVATE COMPANY LIMITED BY SHARES

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RESOLUTIONS IN WRITING

of

SANCTUARY KOBALT (W.A.R.) LIMITED

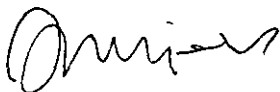
(the "Company")

We are the only member of the Company at the date of these resolutions entitled to attend and vote at general meetings of the Company. Under regulation 53 of Table A of the Companies (Tables A to F) Regulations 1985, which are incorporated into the Company's articles of association, any resolutions which we effect in writing will be as effectual as if passed at a general meeting of the Company duly convened and held.

RESOLUTIONS

We resolve that:

1. The Company's authorised share capital of £1000 be converted and redesignated as 500 'A' ordinary shares of £1 each and 500 'B' ordinary shares of £1 each.
2. The one allotted share in favour of Sanctuary Music Publishing Limited be redesignated as an 'A' ordinary share.
3. The Company adopt new articles of association in the form attached and initialled by a director of the Company for the purposes of identification only in substitution for and to the exclusion of the existing articles of association of the Company.



.....  
on behalf of **Sanctuary Music Publishing Limited**

Date: 30 / 09 / 04



Company No. 5221402



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THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

SANCTUARY KOBALT (W.A.R.) LIMITED

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# Contents

| Clause   | Page |
|--|------|
| 1. DEFINITIONS AND INTERPRETATION _____                            | 1    |
| 2. SHARE CAPITAL _____   | 2    |
| 3. ALLOTMENTS OF SHARES _____                                      | 2    |
| 4. SHARE CERTIFICATES, LIENS AND FORFEITURE _____                  | 3    |
| 5. DIVIDENDS _____   | 3    |
| 6. TRANSFER AND TRANSMISSION OF SHARES _____                       | 3    |
| 7. PERMITTED TRANSFERS _____                                       | 4    |
| 8. GENERAL MEETINGS _____  | 5    |
| 9. VOTES OF MEMBERS _____  | 6    |
| 10. ALTERNATE DIRECTORS _____                                      | 7    |
| 11. DELEGATION OF DIRECTORS' POWERS _____                          | 8    |
| 12. NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS _____ | 8    |
| 13. DIRECTORS' APPOINTMENTS AND INTERESTS _____                    | 9    |
| 14. DIRECTORS' GRATUITIES AND PENSIONS _____                       | 9    |
| 15. PROCEEDINGS OF DIRECTORS _____                                 | 9    |
| 16. OFFICIAL SEAL _____  | 11   |
| 17. ACCOUNTS _____   | 11   |
| 18. CAPITALISATION OF PROFITS _____                                | 11   |
| 19. NOTICES _____  | 11   |
| 20. INDEMNITY _____  | 12   |

# ARTICLES OF ASSOCIATION

- of -

## SANCTUARY KOBALT (W.A.R.) LIMITED (the "Company")

(Adopted by written resolution passed

on 2004)

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The regulations contained in Table A apply to the Company except to the extent that they are excluded or modified by these Articles, and those regulations (so far as applicable) and the following provisions of these Articles together constitute the Articles of Association of the Company.
- 1.2 References in these Articles to any Regulation are to the relevant numbered regulation of Table A.
- 1.3 Table A shall apply as if the words "these regulations" were deleted (wherever appearing) and were replaced by the words "these Articles".
- 1.4 In these Articles, the following words and expressions have the following meanings:

**"A Director"** a director appointed by the holder(s) of the A Shares in accordance with Article 12.2 and including, unless otherwise stated, the duly appointed alternate of such a director;

**"A Shares"** the A ordinary shares of £1 each in the capital of the Company;

**"Associate"** in relation to any company, any other company which is for the time being a holding company of that company or a wholly-owned subsidiary of that company or of any such holding company;

**"B Director"** a director appointed by the holder(s) of the B Shares in accordance with Article 12.2 and including, unless

|                       |  |
|-----------------------|--|
|                       | otherwise stated, the duly appointed alternate of such a director;   |
| <b>"B Shares"</b>     | the B ordinary shares of £1 each in the capital of the Company;  |
| <b>"Business Day"</b> | a day on which banks are open for business in London, other than Saturday and Sunday;  |
| <b>"company"</b>      | a body corporate, wherever incorporated;   |
| <b>"control"</b>      | in relation to a company, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that company, whether through the ownership of voting securities in that or any other company, by contract or otherwise; |
| <b>"share"</b>        | a share in the Company, unless otherwise specified; and  |
| <b>"Table A"</b>      | Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, SI 1985/805, as in force at the date of adoption of these Articles.   |

## 2. **SHARE CAPITAL**

- 2.1 At the date of adoption of these Articles, the authorised share capital of the Company is £1,000, divided into 500 A Shares and 500 B Shares.
- 2.2 The A Shares and the B Shares shall constitute separate classes of shares but, except as expressly provided otherwise in these Articles, shall rank *pari passu* in all respects.
- 2.3 Any alteration of share capital or purchase by the Company of its own shares shall be effected so as to maintain an issued share capital comprising A Shares and B Shares in the proportions set out in Article 3.1. Regulation 32 shall be qualified accordingly.
- 2.4 Regulations 2, 3, 17, 34 and 35 shall not apply.

## 3. **ALLOTMENTS OF SHARES**

- 3.1 A Shares and B Shares shall be allotted and issued in equal numbers, each at the same price and on the same terms. A Shares shall be allotted and issued only to an existing holder of A Shares, and B Shares shall be allotted and issued only to an existing holder of B Shares.

3.2 Subject to the provisions of these Articles, the directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to a maximum aggregate nominal amount of £999. The authority conferred on the directors by this Article shall expire on the fifth anniversary of the date of adoption of these Articles unless previously revoked, varied or renewed by the Company in general meeting. The Company may, before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted after it expires.

3.3 Section 89(1) of the Act shall not apply to any allotment by the Company of equity securities.

#### **4. SHARE CERTIFICATES, LIENS AND FORFEITURE**

4.1 Regulation 6 shall apply as if the words "or executed by the Company and signed by a director and the secretary of the Company or by two directors of the Company in accordance with the Act" were inserted after the word "seal" in the second sentence of that Regulation.

4.2 No shares shall be issued partly paid. Regulations 8 to 16 and 18 to 22 shall not apply.

#### **5. DIVIDENDS**

The directors shall not declare or recommend a dividend to be paid unless in accordance with the terms of any bank facility made available to the Company.

#### **6. TRANSFER AND TRANSMISSION OF SHARES**

6.1 No member may transfer any share except in accordance with Article 7 (Permitted Transfers) and any purported transfer in breach of this Article 6.1 shall be of no effect (save that the holder of the A Shares may transfer, charge, mortgage, pledge or grant any security over the A Shares in favour of any bank and the holder of the B Shares may transfer, charge, mortgage, pledge or grant security over the B Shares in favour of any bank with the prior written consent of the holder of A Shares).

6.2 References in Article 6.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party.

6.3 The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these Articles and a transfer of shares to a minor, a bankrupt or a person of unsound mind and (subject to Article 7.1.2) any transfer which is not of the entire holding of shares of the person making such transfer.

- 6.4 Any director may from time to time require any member, or any person becoming entitled to shares on a transmission of those shares, or in the case of any proposed transfer, any proposed transferee, to supply to the Company such information as he may reasonably think relevant for the purpose of determining whether (a) there has been a breach of the Articles or (b) (as the case may be) the proposed transfer is permitted under the Articles. Unless that information is supplied within 30 days of the date of the request, the directors may declare the shares in question to be subject to the restrictions set out in section 454 of the Act or (as the case may be) may refuse to register the relevant transfer.
- 6.5 Unless under these Articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these Articles within 30 days of the following being lodged at the office or such other place as the directors may appoint:
- 6.5.1 the duly stamped transfer;
  - 6.5.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors; and
  - 6.5.3 evidence that each proposed transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of any shareholders' agreement then in force with effect from the date of the transfer.
- 6.6 A person becoming entitled to a share by transmission may, upon such evidence being produced as the directors may properly require, elect by notice to the Company to become the holder of that share but shall have no right to have any person nominated by him registered as the transferee.
- 6.7 Regulations 24, 26 and 30 shall not apply.

## **7. PERMITTED TRANSFERS**

- 7.1 A transfer of any share may, unless otherwise provided in these Articles, be made at any time in the following cases:
- 7.1.1 with the prior written consent of all the members subject to the fulfilment of any conditions on the basis of which any such consent is given;
  - 7.1.2 a transfer of the entire legal and beneficial interest in any share by a member (being a company) to an Associate;
  - 7.1.3 under any shareholders' agreement for the time being in force; or

7.1.4 by The Governor and Company of the Bank of Scotland in the enforcement of any security that it holds from time to time over the shares of the Company.

## **8. GENERAL MEETINGS**

- 8.1 No business shall be transacted at any general meeting (or at any adjourned general meeting) unless a quorum is present. A quorum shall be any two members (for so long as there are not less than two members) present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy, one of whom shall be the holder of A Shares and one of whom shall be the holder of B Shares (except where there is only one member, in which case the quorum shall be that sole member). Regulation 40 shall not apply.
- 8.2 Regulation 44 shall apply as if the words "and at any separate meeting of the holders of any class of share in the Company" were deleted.
- 8.3 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the directors may determine. At least 5 clear days notice shall be given of every adjourned meeting, specifying the time and the place of the adjourned meeting and the general nature of the business to be conducted. Regulation 41 shall not apply. Regulation 45 shall apply as if the last two sentences were deleted.
- 8.4 In the case of an equality of votes at a general meeting, whether on a show of hands or a poll, the chairman shall not be entitled to a second or casting vote. Regulation 50 shall not apply.
- 8.5 Any member or other person entitled to attend and speak at general meetings may participate in any general meeting by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of that meeting is located.
- 8.6 Regulation 37 shall apply as if the words "eight weeks" were deleted and replaced by the words "twenty-eight days".
- 8.7 Save as otherwise provided by the Act, the provisions of these Articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of the shares of any class required to take place by the Act or these Articles, except that the necessary quorum at any such meeting shall be one member holding shares



of the relevant class present (in the case of an individual) in person or by proxy or (in the case of a company) by a duly authorised representative or by proxy.

8.8 Regulation 39 shall not apply.

## 9. **VOTES OF MEMBERS**

9.1 Subject to any rights or restrictions attached to any shares by these Articles (including, without limitation, by Articles 9.2 to 9.5), on a show of hands, every member who is present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy shall have one vote for every share of which he is the holder. On a poll every member shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.

9.2 On any resolution to remove an A Director or a B Director from office or to alter these Articles which is put to the vote of a meeting, the shares voting against that resolution shall in aggregate carry a number of votes equal to 50.01% of the number of votes capable of being cast on that resolution.

9.3 On any resolution to change the name of the Company such that it does not include the name "Sanctuary" which is put to the meeting, the holder of the B Shares shall not be permitted to vote and any written resolution to amend the Company's name in such a manner shall be validly passed if only signed by the holder of the A Shares. Similarly, on any resolution to change the name of the Company such that it does not include the name "Kobalt" which is put to the meeting, the holder of the A Shares shall not be permitted to vote and any written resolution to amend the Company's name in such a way shall be validly passed if only signed by the holder of the B Shares.

9.4 If any member holding A Shares is not present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy at any general meeting (or at any adjourned general meeting) at which any resolution is put to the vote, the A Shares held by the members so present when the resolution is put to the vote shall together entitle those members to the total aggregate number of votes exercisable in respect of all the A Shares.

9.5 If any member holding B Shares is not present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy at any general meeting (or at any adjourned general meeting) at which any resolution is put to the vote, the B Shares held by the members so present when the resolution is put to the vote shall together entitle those members to the total aggregate number of votes exercisable in respect of all the B Shares.

- 9.6 Regulation 58 shall apply as if the last sentence were deleted and replaced by the following sentences: "Any objection made in due time shall be referred to the chairman. His decision shall be binding for the purposes of the conduct of the business of the meeting but shall constitute prima facie evidence only of the validity of any business to the extent dependent on that decision".
- 9.7 Regulations 60 and 61 shall apply as if the following sentence was added at the end of each of those Regulations: "Any such instrument shall be deemed to confer authority to demand or join in a demand for a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit".
- 9.8 Regulation 62 shall apply as if:
- 9.8.1 the words "not less than forty-eight hours" in each of paragraphs 62(a) and 62(aa) were deleted and replaced by the words "at any time";
- 9.8.2 paragraphs 62(b) and (c) were deleted and replaced with the words:
- "(b) in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll"; and
- 9.8.3 the words: "Any valid appointment of proxy shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting" were inserted at the end of that Regulation.
- 9.9 A special resolution shall be effective for any purpose for which an ordinary or an extraordinary resolution is required.
- 9.10 Regulation 57 shall not apply.

## **10. ALTERNATE DIRECTORS**

- 10.1 Any director (other than an alternate director) may appoint any other director, or any other person who is willing to act and, in the case of a person so appointed by an A Director, to whom the holders of the B Shares shall not object and, in the case of a person so appointed by a B Director, to whom the holders of the A Shares shall not object, to be an alternate director and may remove from office any alternate appointed by him. Regulation 65 shall not apply.
- 10.2 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and committees of directors. Regulation 66 shall apply as if the last sentence were deleted.

- 10.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. Regulation 67 shall not apply.
- 10.4 Regulation 68 shall apply as if the following words were added at the end of that Regulation: "and shall take effect when the notice is received or at any later time specified for the purpose in the notice".
- 10.5 The appointment of any alternate director shall terminate automatically on the happening of any event which, if he were a director, would cause him to vacate his office as a director.
- 10.6 A person may be appointed as the alternate director of more than one director, and in those circumstances that alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote in respect of every director by whom he has been appointed in addition to his own vote (if any) as a director. Any such person may be counted more than once for the purpose of determining whether or not a quorum is present.

#### **11. DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such individuals (whether directors or not) as they think fit. The first sentence of Regulation 72 shall not apply.

#### **12. NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

- 12.1 Unless and until otherwise determined by ordinary resolution, the number of the directors (other than alternate directors) shall not be more than four, and the minimum number of directors shall be two. Regulation 64 shall not apply.
- 12.2 The holder(s) of a majority of the A Shares may from time to time appoint up to two individuals willing to act as directors and remove from office any individual so appointed. The holder(s) of a majority of the B Shares may from time to time appoint up to two individuals willing to act as directors and remove from office any individual so appointed.
- 12.3 Any appointment or removal of a director pursuant to Article 12.2 shall be made by notice to the Company signed by the member(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice.
- 12.4 Any director appointed for the time being pursuant to Article 12.2 may make such disclosures in relation to the Company to the member(s) appointing him (and those of its Associate which hold any shares) as he thinks appropriate in his sole discretion.
- 12.5 Regulation 81 shall apply as if paragraph (e) were deleted and replaced by the following:

"(e) he is removed from office in accordance with Article 12.2".

12.6 A person may be appointed a director whatever his age, and no director shall be required to vacate his office by reason of attaining or having attained the age of 70 or any other age.

12.7 Regulations 73 to 80 shall not apply.

### 13. **DIRECTORS' APPOINTMENTS AND INTERESTS**

13.1 Regulation 84 shall apply as if the last sentence were deleted.

13.2 Regulation 85 shall apply as if the word "material" were deleted.

### 14. **DIRECTORS' GRATUITIES AND PENSIONS**

The directors may exercise any power conferred by the Act to make provision for the benefit of any employees or former employees of the Company or any of its subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking.

### 15. **PROCEEDINGS OF DIRECTORS**

15.1 Regulation 88 shall apply as if the third sentence were deleted and replaced by the following: "Notice of every meeting of the directors and of every meeting of a committee of the directors shall be given to every director and alternate director, whether or not he is for the time being absent from the United Kingdom, provided that any one or more of the directors or alternate directors may waive his right to receive notices either generally or in respect of any particular meeting or while absent from the United Kingdom, and prospectively or retrospectively (in the latter case within 7 days of the start of the meeting or any longer period determined by the Company by ordinary resolution)" and as if the fifth sentence were deleted and replaced by the following: "In the case of an equality of votes, the chairman shall not have a second or casting vote".

15.2 No business may be transacted at any meeting of the directors or a committee of the directors unless a quorum is present. The quorum for the transaction of the business of the directors or a committee of the directors shall be one A Director and one B Director. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Regulation 89 shall not apply.

15.3 Unless otherwise stated in these Articles, at any meeting of the directors or a committee of the directors each director present (in person or by alternate) shall have one vote. Resolutions put to the vote of a meeting shall be passed by simple majority, save that no resolution of the directors may be passed unless at least one A Director and one B Director

(in each case present in person or by alternate) has voted in favour of it save as set out in Article 15.1. Regulation 70 shall be qualified accordingly and Regulation 88 shall apply as if the fourth sentence was deleted.

- 15.4 Unless otherwise agreed by all the directors entitled to vote at that meeting, or in the case of emergency, not less than seven days' prior notice shall be given of each meeting of the directors or a committee of the directors, accompanied by a written agenda specifying in reasonable detail the matters to be discussed at that meeting and accompanied by copies of all documents which are to be discussed at that meeting.
- 15.5 Unless otherwise agreed by all the directors entitled to vote at that meeting, or in the case of emergency, no business shall be discussed or voted on at any meeting of the directors or a committee of the directors or at any adjournment of any such meeting, unless included in the agenda accompanying the notice convening that meeting.
- 15.6 Detailed minutes of every meeting of the directors or a committee of the directors shall be kept by the secretary, and shall be circulated to each director within one week of each such meeting and shall be tabled for approval at the next meeting.
- 15.7 Notice of a meeting of the directors may be given to a director either personally or in writing or by electronic communication, or by any other means authorised by the director concerned.
- 15.8 All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and/or be counted in a quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is located.
- 15.9 A resolution in writing signed by each director (or his alternate) entitled to vote on that resolution or by each member of a committee of the directors (whether as one instrument or as several identical instruments) shall be as valid as if it had been passed at a duly convened and held meeting of the directors or (as the case may be) that committee. Regulation 93 shall not apply.
- 15.10 No director shall be entitled to vote on any resolution relating to the assertion of any claim (whether by means of bringing, prosecuting or defending legal proceedings or in any other way) or the exercise of any rights or remedies against or by the Company or any subsidiary undertaking of the Company by or against him or any member holding shares of the class

appointing him or any Associate of any such holder. The quorum at any meeting of the directors to the extent considering and voting on any such resolution shall be one director appointed by the holder(s) of the other class of share, and any such director shall be authorised to exercise all powers of the Company to implement any such resolution notwithstanding any other provision of these Articles.

- 15.11 If any question arises at any meeting of directors or of a committee of directors as to the right of any director to vote, and that question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting). The ruling of the chairman in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and binding. Regulation 98 shall not apply.

**16. OFFICIAL SEAL**

The Company may exercise all the powers conferred by the Act with regard to having any official seal, and those powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

**17. ACCOUNTS**

Any member shall be entitled, on giving not less than 48 hours' prior notice to the Company, either through itself or through duly authorised agents, to inspect and take copies of any accounting record or other book or document of the Company. The Company may make a reasonable charge for any copies taken. Regulation 109 shall not apply.

**18. CAPITALISATION OF PROFITS**

Any capitalisation of profits shall be effected so as to maintain an issued share capital comprising A Shares and B Shares in equal numbers. Regulation 110(c) shall apply as if the words "or ignore fractions altogether" were inserted after the words "distributable under this regulation in fractions".

**19. NOTICES**

- 19.1 Regulation 111 shall apply as if the words "(including, without limitation, any consent, approval or other document)" were inserted after the words "Any notice" in the first sentence of that Regulation and as if the words "given personally or by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail" were inserted after the words "in writing" in the first sentence of that Regulation.

- 19.2 Notices given by a company pursuant to these Articles may be signed on its behalf by an officer of the company or by its duly appointed attorney.
- 19.3 Notices to the Company shall be sent to the office, marked for the attention of the secretary.
- 19.4 Regulation 112 shall apply as if the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation and as if the words "or (in the case of a registered address outside the United Kingdom) by airmail in a prepaid envelope" were inserted after the words "sending it by post in a prepaid envelope" and as if the words "but otherwise no such member shall be entitled to receive any notice from the Company" were deleted. Regulation 115 shall apply as if the last sentence was deleted.
- 19.5 Regulation 116 shall apply as if the words "within the United Kingdom" were deleted.

20. **INDEMNITY**

- 20.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director and other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without limitation) a liability incurred:

20.1.1 defending proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without the finding or admission of material breach of duty on his part, or

20.1.2 in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Regulation 118 shall not apply.

- 20.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director or other officer or employee, or former director, alternate director, officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of any pension fund or retirement, death or disability scheme or another trust in which a director, alternate director, officer or employee or former director, alternate director, officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.