

Company Number 06485099

PRIVATE COMPANY LIMITED BY SHARE

**WRITTEN RESOLUTIONS
of
2 DEGREES LIMITED ("Company")**

WEDNESDAY



Passed on 30th December 2010

The Resolutions below were duly passed as special resolutions pursuant to Chapter 2 of Part 13 of the Companies Act 2006 on 30th December 2010

SPECIAL RESOLUTIONS

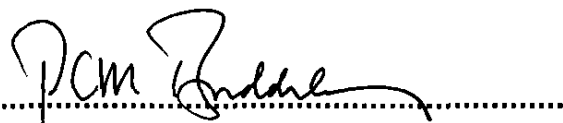
1. THAT the draft Articles of Association circulated with these resolutions be approved and adopted as the Articles of Association of the Company in substitution for the existing Articles of Association.
2. THAT, in accordance with paragraph 42 of Schedule 2 to the Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008, the amount of the Company's authorised share capital, as included or deemed to be included in the Articles of Association of the Company shall be revoked and shall not restrict the maximum amount of shares that may be allotted by the Company.
3. (A) THAT the Directors are generally and unconditionally authorised for the purposes of sections 549 and 551 of the Companies Act 2006 ("**Act**") to exercise all the powers of the Company to allot shares in the Company and/or to grant rights to subscribe for, or to convert any security into shares in the Company on and subject to such terms as the Directors may determine. The authority hereby conferred shall, subject to section 551 of the Act, be for a period expiring on the fifth anniversary of the date of this Resolution unless renewed, varied or revoked by the Company in General Meeting and shall supersede any other such authorities existing at the date hereof all of which are hereby revoked. The maximum nominal amount of shares that may be allotted pursuant to such authority shall be £500.

(B) The Directors shall be entitled under the authority conferred by paragraph (A) of this Resolution or under any renewal thereof to make at any time prior to

the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding the authority conferred by this resolution has expired

- 4 THAT the rights of pre-emption contained in Article 9 2 of the Articles of Association adopted pursuant to Resolution 1 above be and are hereby disapplied in respect of the issue of up to the following numbers of shares in the capital of the Company to the following persons on or before 31st December 2010 at a price of not less than £5.00 per share

| <u>Name of Allottee</u> | <u>Ordinary Shares</u> | <u>Preference Shares</u> |
|-------------------------|------------------------|--------------------------|
| | | |
| Martin Chilcott | 18,500 | |
| James Tarin | 18,500 | |
| Pinecray Limited | 37,000 | |
| Stephen Hill | | 40,000 |
| Peter Braunwalder | 30,000 | |
| Graham Elton | 20,000 | |



For and on behalf of
ALDWYCH SECRETARIES LIMITED
Company Secretary

Company No 6485099

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

2 DEGREES LIMITED

(Adopted on 30th December 2010)

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Ref. 251186

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THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

2 DEGREES LIMITED

PRELIMINARY

1 1 In these Articles the following expressions shall have the following meanings unless inconsistent with the context:-

"Acquirer" has the meaning ascribed to it in the definition of "Majority Change of Control" or "Special Change of Control";

"Acting in Concert" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means;

"authenticated" means (subject to section 1146 Companies Act 2006) authenticated in such manner as the Board may in its absolute discretion determine;

"Bad Leaver" means a Leaver who has become a Leaver as a result of:

- a) the Company's acceptance of the repudiation of his contract of employment or consultancy agreement, or
- b) the termination by the Company of the Leaver's contract of employment or consultancy agreement in circumstances where, in accordance with the terms of the relevant contract of employment or consultancy agreement, the Company is entitled to terminate the contract of employment or consultancy agreement summarily or with immediate effect without notice or payment in lieu of notice to the Leaver;

"Board" means the board of directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

"Business Day" means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"the Companies Act" means the Companies Act 2006 and any statutory instruments made under it (each to the extent in force and as amended or restated from time to time),

"Compulsory Purchase Notice" means a notice served by the directors pursuant

to Article 14 11 or Article 14.16 requiring that the Shares specified therein be sold to the Company at the Transfer Price;

"Compulsory Transfer Notice" means a notice served by the directors pursuant to Article 14 11 or Article 14.16 requiring that the shares specified therein be sold to the person or persons nominated by the directors and specified therein at the Transfer Price;

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988,

"document" includes summons, notice, order or other legal process and registers,

"electronic form" and "electronic means" have the meanings given to them in section 1168 of the Companies Act 2006;

"Family Trust" as regards any particular individual member or deceased or former individual member, means a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trust or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Fully Diluted Share Capital" means the issued share capital of the Company as it would be if all options to subscribe for Shares then granted had been exercised and all securities convertible into Shares then in existence had been so converted,

"Leaver" means any individual other than Martin Chilcott or James Tarin whose contract of employment with the Company or with any subsidiary of the Company terminates, for any reason, or any individual other than Martin Chilcott or James Tarin whose consultancy agreement with the Company or any subsidiary of the Company terminates, for any reason;

"Majority Change of Control" means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with Article 10 (Permitted Transfers) by any person, including a member of the Company (an "Acquirer"), of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own a Controlling Interest;

"a Member of the same Group" as regards any company, means a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;

"Option Scheme" means a share option scheme established by the Company which is an "employees' share scheme" within the meaning of Section 1166 of the Companies Act 2006 or would be but for the ability of consultants to be

granted options under such scheme;

"Ordinary Shares" means the Ordinary Shares of 0.1p each in the capital of the Company from time to time; and

"Permitted Transfer" means a transfer of Shares authorised by Article 13,

"Preference Shares" means the Convertible Redeemable Preference Shares of 0 1p each in the capital of the Company;

"Preference Share Majority" means those persons who between them hold the majority of the Preference Shares in issue at the relevant time;

"Privileged Relation" in relation to an individual member or deceased or former individual member, means the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and their lineal descendants and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant,

"Qualifying Funding Round" means a funding round in which the aggregate subscription amount in respect of new Shares issued by the Company over a period of not more than 30 days is not less than £2 million,

"Relevant Executive" means an employee of, or a consultant to, the Company or any subsidiary of the Company;

"Relevant Member" means a member who is a Relevant Executive, or a member who shall have acquired Shares directly or indirectly from a Relevant Executive pursuant to one or more Permitted Transfers under Article 13 1 1 or 13.1 2 (including where such Shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Relevant Executive under Article 13 1 2);

"Relevant Shares" (so far as the same remain for the time being held by the trustees of any Family Trust or by any Transferee Company) means the Shares originally acquired by such trustees or Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such Shares or any of them or the membership thereby conferred;

"Share" means a share in the capital of the Company for the time being in issue,

"Shareholder" means a holder of Shares;

"Special Change of Control" means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with Article 13 (Permitted Transfers)) by any person, including a member of the Company (an "Acquirer"), of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 75 per cent of the Shares;

"Subscription Price", in relation to any Share, means the amount paid up thereon (including the full amount of any premium at which such Share was

issued);

"Table A" means Table A in the Companies (Tables A-F) Regulations 1985 as amended by the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007,

"Transferee Company" means a company for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers of Shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series),

"Transferor Company" means a company (other than a Transferee Company) which has transferred or proposes to transfer Shares to a Member of the same Group,

"transfer notice" means a notice in accordance with Article 14 that a member desires to transfer his Shares,

"Valuers" means the auditors of the Company for the time being or, if the Company has no auditors or its auditors are unable or unwilling to act, such firm of chartered accountants as the Board may select, and

"writing" or "written" means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form, including (subject to the provisions of the Companies Act) in electronic form,

- 1.2 References to statutory provisions in these Articles shall be deemed also to refer to any statutory provisions amending or replacing the same.
- 2 1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded, varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company
- 2 2 Regulations 76-79 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company

SHARE CAPITAL

- 3.1 The share capital of the Company consists of Ordinary Shares and Preference Shares.
- 3.2 Except as otherwise provided in these Articles the Ordinary Shares and the Preference Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

RETURN OF CAPITAL RIGHTS

- 4 1 The rights as regards return or capital attaching to each class of Shares shall be as set out in this Article.
- 4.2 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority
 - (a) first, in paying to each holder of Preference Shares in respect of each

Preference Share of which he is the holder, an amount equal to the Subscription Price thereof (provided that if there are insufficient surplus assets to pay the Subscription Price per Preference Share in full, the remaining surplus assets shall be distributed pro rata to their respective holdings of Preference Shares);

- (b) second, in paying to each holder of Ordinary Shares in respect of each Ordinary Share of which he is the holder, an amount equal to the Subscription Price thereof (provided that if there are insufficient surplus assets to pay the Subscription Price per Ordinary Share in full, the remaining surplus assets shall be distributed to the holders of Ordinary Shares pro rata to their respective holdings of Ordinary Shares); and
- (c) the balance of such assets (if any) shall be distributed amongst the holders of the Preference Shares and the Ordinary Shares (pari passu as if the same constituted one class of Shares) pro rata their respective holdings of such Shares or, following conversion of the Preference Shares pursuant to Article 6, amongst the holders of the Ordinary Shares pro rata to their respective holdings of Ordinary Shares

REDEMPTION RIGHTS

- 5.1 Subject to the Companies Act, the Preference Share Majority may require the Company by not less than [30] days' notice in writing [served on the Company at any time after [] 2011] (a "**Redemption Notice**") to redeem all or any of the Preference Shares at that time in issue, and, if any Redemption Notice is served, the number of Preference Shares specified in such Redemption Notice will immediately become due for redemption on the date of such notice.
- 5.2 On each date on which all or any of the Preference Shares may be redeemed, the Company shall redeem the number of Preference Shares set out in the Redemption Notice and the relevant holder of Preference Shares shall deliver to the Company at its registered office the certificate(s) for the Preference Shares to be redeemed (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate(s)) and on such delivery (and against the receipt by the holder of Preference Shares for the redemption monies payable in respect of his Preference Shares) the Company shall pay each holder of Preference Shares (or, in the case of joint holders, to the holder of Preference Shares whose name stands first in the register of Shareholders in respect of those Preference Shares) the Subscription Price for each Preference Share being redeemed
- 5.3 The Company shall, in the case of a redemption in full, cancel the share certificate of the holder of Preference Shares concerned, and, in the case of a redemption of part of the holding of Preference Shares included in a certificate, either (a) note the amount and date of redemption on the original certificate or (b) cancel the original certificate and without charge issue a new certificate to the holder for the balance of the Preference Shares not redeemed on that occasion.
- 5.4 If on any due date for redemption of Preference Shares the Company is prohibited by law from redeeming all or any of the Preference Shares then due to be redeemed, it shall on the due date redeem the number of the Preference Shares that it may then lawfully redeem, and if there is more than one holder whose Preference Shares are due to be redeemed then the Preference Shares shall be redeemed in proportion as nearly as may be to their existing holdings of Preference Shares and the Company shall redeem the balance of those shares as soon as practical after it is not so prohibited and, for so long as the prohibition remains and any Preference Shares have not been redeemed (and

notwithstanding any other provisions of these Articles) the Company shall not pay any dividend or otherwise make any distribution of capital or otherwise (except in the ordinary course of business) decrease its profits available for distribution. If the Company fails to make any partial redemption of Preference Shares on any due date for redemption, then subsequent redemptions of Preference Shares shall be deemed to be of those Preference Shares which first became due for redemption.

CONVERSION RIGHTS

- 6.1 All of the Preference Shares (other than any Preference Shares in respect of which a Redemption Notice has been served) shall automatically convert into Ordinary Shares upon the earlier of the date of completion by the Company of a Qualifying Funding Round and 31st December 2013.
- 6 2 The Preference Share Majority may at any time require a conversion of all of the Preference Shares then in issue into Ordinary Shares and upon receipt of such notice by the Company all Preference Shares then in issue shall automatically convert into Ordinary Shares.

LIEN

- 7 The lien conferred by regulation 8 of Table A shall apply to all Shares whether fully paid or not and to all Shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

CALLS

8. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

ISSUE OF SHARES

- 9.1 Subject to the provisions of the Companies Act and Article 9 2 all unissued shares of the Company from time to time shall be at the disposal of the directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper. Sections 561 and 562 of the Companies Act 2006 shall not apply to the Company.
- 9 2 Unless sanctioned in writing by Shareholders holding between them more than 75 per cent of the issued Shares or by the passing of a special resolution, any unissued shares or other equity securities or shares to be issued (other than equity securities to be issued pursuant to an Option Scheme up to a maximum of 10% of the Fully Diluted Share Capital) ("New Shares") shall not be allotted to any person unless the Company has, in the first instance offered such New Shares to all members of the Company on the same terms and at the same price as such New Shares are being offered to such other person on a pari passu and pro rata basis to the number of Shares held by such persons on the terms that in the case of competition the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of Shares. Such offer(s).
- (a) shall stipulate a time, being not less than 7 days nor more than 21 days, within which it must be accepted or in default will lapse, and

- (b) may stipulate that any members of the Company who desire to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess New Shares they wish to subscribe for and any shares not accepted by other members shall be used for satisfying such requests for excess New Shares at each stage pro rata to the number of existing Shares held by such persons at the time of such acceptance making such requests and thereafter, any excess New Shares shall be offered to any other person at the same price and on the same terms as the offer to members.

Any New Shares shall rank *pari passu* with existing shares in the same class then in issue.

TRANSFER OF SHARES

- 10 1 No person shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any Share (save as may be required in pursuance of his obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any Share or agree to do any of such things except as permitted by Articles 13 or 14
- 10 2 If a person at any time attempts to deal with or dispose of a Share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he (or the person holding such Shares as his nominee) shall be deemed immediately prior to such attempt to have given a transfer notice in respect of such Share
- 10.3 A transfer notice which is given or is deemed to have been given under Article 10.2, 13 3, 13 4, 13.5 or 15 shall be deemed not to contain a Total Transfer Condition (as defined in Article 14) and shall not be revocable.
- 11 The directors shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise, save as provided to the contrary in these Articles, be entitled to refuse to register any transfer of Shares For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.
12. Where a transfer notice (as hereinafter defined) in respect of any Share is deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 12 shall apply accordingly.

PERMITTED TRANSFERS

- 13 1 Any Shares (other than any Shares in respect of which the holder shall have been required by the directors under these Articles to give a transfer notice or shall have been deemed to have given a transfer notice) or any interest therein may at any time be transferred

- 13.1.1 by any individual member (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trust) to a Privileged Relation of such member; or
 - 13.1.2 by any such individual member to trustees to be held upon a Family Trust related to such individual member, or
 - 13.1.3 by any member being a company (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trust) to a Member of the same Group as the Transferor Company
- 13.2 Where Shares have been issued to the trustees of a Family Trust or transferred under Article 13.1 or under Article 13.2.1 or Article 13.2.2 to the trustees of a Family Trust, the trustees and their successors in office may (subject to the provisions of Article 13.1) transfer all or any of the Relevant Shares:
- 13.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees,
 - 13.2.2 to the trustees for the time being of any other trust being a Family Trust in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
 - 13.2.3 to any beneficiary of the Family Trust concerned.
- 13.3 If and whenever any of the Relevant Shares come to be held otherwise than upon a Family Trust, except in circumstances where a transfer thereof is authorised pursuant to Article 13.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such Shares to notify the directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Shares concerned
- 13.4 If a person to whom Shares have been transferred pursuant to Article 13.1.1 shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Shares concerned
- 13.5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 13.1.3) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the directors in writing that such event has occurred and (unless the Relevant Shares are transferred to the Transferor Company or a Member of the same Group as the Transferor Company within 14 days of such event, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Relevant Shares

PRE-EMPTION RIGHTS

- 14.1 Except in the case of a Permitted Transfer or where Article 14.20 applies, no Share shall be transferred until the following conditions of this Article 14 are complied with.
- 14.2 Any member proposing to transfer a Share ("the proposing transferor") shall be

obliged to give notice in writing ("transfer notice") to the directors that the proposing transferor desires to transfer all or some of the Shares then held by him. In the transfer notice the proposing transferor shall specify -

- 14.2.1 the number and class of Shares which the proposing transferor wishes to transfer ("the Transfer Shares"),
 - 14.2.2 the price at which the proposing transferor wishes to sell the Transfer Shares and the identity of any person who has indicated a willingness to purchase the Transfer Shares at such price.
- 14.3 A transfer notice shall state whether the proposing transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold), but in the absence of such a statement the transfer notice shall be deemed not to contain a Total Transfer Condition
- 14.4 The transfer notice shall constitute the Company (by its board of directors) as the agent of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given a transfer notice may not be revoked save with the prior written consent of the directors.
- 14.5 Within seven days after the receipt of any transfer notice the directors shall serve a copy of that transfer notice on all the members other than the proposing transferor. In the case of a deemed transfer notice the directors shall similarly serve notice on all the members (including the proposing transferor), notifying them that the same has been deemed to have been given, within one month after (i) the date of the event giving rise to the deemed transfer notice or (ii) (if later) the date on which the directors (as a whole) actually became aware of such event
- 14.6 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price ("the Transfer Price") determined in accordance with Article 14.6
- 14.6.1 If the transfer notice is not a deemed transfer notice then the Transfer Price shall be the price specified by the proposing transferor in the Transfer Notice, or
 - 14.6.2 If the transfer notice is a deemed transfer notice then, subject to Articles 15.5, 15.6 and 15.7(d), the Transfer Price shall be such price as shall be agreed in writing between the Board and the proposing transferor or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 21 days after the service of notices pursuant to Article 14.5 the Transfer Price will be determined by the Valuers. The Valuers shall act as experts and not as arbitrators and their written determination shall be final and binding on the members.

The Valuers will determine what in their professional opinion is the fair value of the Transfer Shares as at the date of the transfer notice on the following assumptions and bases:-

- (a) valuing the Transfer Shares as on an arm's length sale between a willing vendor and a willing purchaser,

- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (c) that the Transfer Shares are capable of being transferred without restriction;
- (d) disregarding any effect upon value of the Transfer Shares constituting a majority or minority holding.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Valuers in such manner as they shall in their absolute discretion think fit.

The Company will use its best endeavours to procure that the Valuers determine the Transfer Price within 21 days of being requested to do so

- 14.7 If the determination of the Transfer Price is referred to the Valuers the date of determination of the Transfer Price ("the Determination Date") shall be the date on which the directors receive the Valuers' determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between the Board and the proposing transferor as aforesaid the Determination Date shall be the date on which such agreement is made. If the Transfer Price is determined pursuant to Article 14.6.1 then the Determination Date shall be the date on which the directors receive the transfer notice.
- 14.8 The costs and expenses of the Valuers in determining the Transfer Price and of their appointment shall be borne by the Company.
- 14.9 Within seven days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to all members (other than the proposing transferor) in proportion to the number of Shares then held by them respectively. Every such offer shall be made in writing and shall specify (a) the total number of Transfer Shares, (b) the number of Transfer Shares offered to the member ("Pro Rata Entitlement"); (c) whether or not the transfer notice contained a Total Transfer Condition and (d) a period (being not less than fourteen days and not more than twenty one days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro Rata Entitlement and for any Shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period, the Directors shall allocate the Transfer Shares in the following manner:
- 14.9.1 to each member who has agreed to purchase Shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;
 - 14.9.2 if any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of Shares then held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 11 9.2 without taking account of any member whose application has already been satisfied in full
- 14.10 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in

such manner as the directors shall think fit.

- 14.11 If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor. The directors shall then be entitled within fourteen days of the date of service of that notice to serve upon the proposing transferor a Compulsory Transfer Notice and/or a Compulsory Purchase Notice
- 14.12 If the directors shall serve a Compulsory Purchase Notice upon the proposing transferor pursuant to Article 14.11 or Article 14.16 they shall:-
- 14.12.1 draw up a draft contract of purchase which provides for completion at the Company's registered office of the purchase of the relevant Transfer Shares on the expiration of seven days after the passing of the special resolution hereinafter mentioned;
- 14.12.2 convene a meeting to consider a special resolution to authorise such contract of purchase, such meeting to be held not later than 30 days after the date on which the Compulsory Purchase Notice was served; and
- 14.12.3 procure that the relevant requirements of the Companies Act 2006 relating to the purchase by the Company of its own shares are complied with.
- 14.13 The proposing transferor is deemed, by virtue of his having become a member of the Company, to have agreed:-
- 14.13.1 to any contract which is drawn up by the directors following the service upon him of a Compulsory Purchase Notice,
- 14.13.2 to have appointed any person nominated by the directors to execute such contract on his behalf, and
- 14.13.3 that, subject to the provisions of Article 14.14, he shall transfer the relevant Transfer Shares to the Company at completion. If he makes default in so doing a director or some other person duly nominated by a resolution of the directors for that purpose, shall forthwith be deemed to be the duly appointed attorney of the proposing transferor with full power to execute complete and deliver in the name and on behalf of the proposing transferor a transfer of the relevant Transfer Shares to the Company. The directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the proposing transferor until he shall deliver up his certificates for the relevant Transfer Shares to the Company when he shall thereupon be paid the purchase money
- 14.14 If by the foregoing procedure the directors shall not have received acceptances in respect of all the Transfer Shares and shall not have served a Compulsory Transfer Notice or a Compulsory Purchase Notice in respect of all of the Transfer Shares not accepted by the members or if the requirements of the Companies Act 2006 have not been complied with in relation to the purchase by the Company of the relevant Transfer Shares pursuant to a Compulsory Purchase Notice and the transfer notice in question did contain a Total Transfer Condition then none of the Transfer Shares shall be sold to the members or to any person nominated by the directors pursuant to a Compulsory Transfer Notice or to the Company pursuant to a Compulsory Purchase Notice. The

proposing transferor may then within a period of four months after the expiry of the fourteen day period referred to in Article 14.12 sell all (but not some only) of the Transfer Shares to any person or persons at any price which is not less than the Transfer Price.

- 14.15 If the directors shall receive acceptances pursuant to the provisions of this Article in respect of all the Transfer Shares (or all of the Transfer Shares other than those which the Company is obliged to purchase following the service of a Compulsory Purchase Notice) either from the members or from any person or persons nominated by the directors pursuant to a Compulsory Transfer Notice they shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the person or persons who have agreed to purchase the same ("Purchaser" or "Purchasers") and the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor (whose receipt shall be a good discharge to the Purchaser, the Company and the directors therefor none of whom shall be bound to see to the application thereof) to transfer to each Purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than seven days nor more than twenty-eight days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.
- 14.16 If the transfer notice in question did not contain a Total Transfer Condition and if by the foregoing procedure the directors shall receive acceptances in respect of none or part only of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of the fact to the proposing transferor. The directors shall then be entitled within 14 days of the date of service of that notice to serve upon the proposing transferor a Compulsory Transfer Notice and/or a Compulsory Purchase Notice and the provisions of Article 14.15 shall apply (*mutatis mutandis*) in respect of any Compulsory Transfer Notice so served.
- 14.17 The proposing transferor may, within the period of four months after the expiry of the fourteen day period referred to in Article 14.16 sell any of the Transfer Shares which have not been accepted by members pursuant to Article 14.9 and which are not the subject of a Compulsory Purchase Notice or Compulsory Transfer Notice served within such fourteen day period, to any person or persons at any price which is not less than the Transfer Price.
- 14.18 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (who is, as security for the performance of the proposing transferor's obligations, hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the

validity of the proceedings shall not be questioned by any person.

- 14.19 The directors (acting reasonably) may require to be satisfied that any Shares being transferred by the proposing transferor pursuant to either Article 14.14 or Article 14 17 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer
- 14.20 Notwithstanding the preceding provisions of this Article the directors shall register any transfer of shares to which Shareholders holding between them at least 75 per cent of the issued Shares shall have given their prior written consent.

COMPULSORY TRANSFERS

- 15 1 If a member is adjudicated bankrupt he shall be deemed immediately to have given a transfer notice in respect of all Shares then registered in his name
- 15.2 If a Share remains registered in the name of a deceased member for longer than one year after the date of his death the directors may require the legal personal representatives of such deceased member either to effect a transfer of such Shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a transfer notice in respect of such Share
- 15.3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall be deemed immediately to have given a transfer notice in respect of all of the shares held by such member and/or such Permitted Transferee.
- 15 4 If a Relevant Member, or the Relevant Executive in relation to a Relevant Member, becomes a Leaver at any time then such Relevant Member shall, subject to Article 15.7, be deemed to have given, on the date on which he or the Relevant Executive concerned became a Leaver, a transfer notice in respect of all of the Ordinary Shares held by such Relevant Member at a price determined in accordance with the provisions of Article 14 6 or Article 15.5 (as the case may be).
- 15 5 If a transfer notice is deemed to have been given pursuant to Article 15.4 and the Relevant Executive is a Bad Leaver then the price at which the Ordinary Shares which are the subject of that transfer notice shall be offered for sale shall, subject to Article 15.7, be the lower of the Subscription Price of such Shares and the price per Transfer Share determined in accordance with Article 14 6
- 15 6 If a person who is not (or has ceased to be) an employee of the Company or any subsidiary of the Company at the date of acquisition referred to below acquires Shares in pursuance of a right or interest obtained by such an employee (including but not limited to his right or interest as a beneficiary under a trust and any option granted under any share option scheme established by the Company), he shall, subject to Article 15 7, upon being registered as the holder of such Shares, be deemed to have given a transfer notice in respect of all of the Shares registered in his name

15 7 Where Article 15.4, Article 15 5 or Article 15.6 applies the directors may resolve:-

- (a) that no transfer notice shall be deemed to have been given, or
- (b) that a transfer notice shall be deemed to have been given in respect of a lesser number of Ordinary Shares,
- (c) that the transfer notice shall be deemed to be given at a date later than the date on which the Relevant Executive concerned became a Leaver (in the case of Article 15.4) or the date on which the relevant shares were registered in the name of the relevant person (in the case of Article 15 6), or
- (d) that, where the Relevant Executive is a Bad Leaver, the price at which the relevant Ordinary Shares are offered for sale shall be greater than would otherwise have been the case provided that in no case shall such greater price exceed the price per Transfer Share determined in accordance with Article 14.6.

TAG-ALONG

- 16.1 Notwithstanding any other provision in these Articles no sale or transfer or other disposition of any interest in any Share shall have any effect, if it would result in a Majority Change of Control, unless before the transfer is lodged for registration the Acquirer has made a bona fide offer in accordance with this Article 16 to purchase at the Transfer Price in relation to the Share mentioned above all the Shares held by the Shareholders (except any Shareholder which has expressly waived its right to receive such an offer for the purpose of this Article 16)
- 16 2 An offer made under Article 16 1 shall be in writing open for acceptance for at least 21 days after full implementation of the pre-emption rights and procedures set out in Article 14, shall be recirculated with a reminder in writing to all the Shareholders at least 7 days before the date for acceptance set out in the offer and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the period set out in the offer.
- 16 3 The Acquirer shall complete the purchase of all Shares in respect of which the offer is accepted at the same time as he completes the purchase of the Shares whose proposed purchase gave rise to such offer. The acceptance by any Shareholder of such offer shall not require the accepting Shareholder to give a transfer notice in accordance with Article 14 2.

DRAG ALONG

- 17 1 If any one or more Shareholders (together the "Selling Shareholders") wish to transfer any Shares which would result in a Special Change of Control, the Selling Shareholders or, after the transfer by them of their Shares to the Acquirer resulting in the Special Change of Control, the Acquirer shall have the option (the "Drag Along Option") to require all the other holders of Shares to transfer all their Shares to the Acquirer or as the Acquirer shall direct in accordance with this Article 17.
- 17 2 The Selling Shareholders or the Acquirer may exercise the Drag Along Option by giving notice to that effect (a "Drag Along Notice") to all such other Shareholders (the "Called Shareholders") at any time after the Selling Shareholders have agreed to transfer the Shares held by them giving rise to the

Special Change of Control A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to Article 17.1, at the price at which the Called Shares are to be transferred (calculated in accordance with Article 17.4) and the proposed date of transfer.

17.3 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if the Drag Along Notice is given before the transfer of Shares resulting in the Special Change of Control and for any reason there is not a Special Change of Control caused by a transfer of Shares by the Selling Shareholders to the Acquirer within 6 months of the date of the Drag Along Notice.

17.4 The Called Shareholders shall be obliged to sell the Called Shares at the price per Share at which the relevant transfer of Shares referred to in Article 17.1 takes place or took place

17.5 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders or the Acquirer except that:

17 5 1 such person may not specify a date that is less than 14 days after the date of the Drag Along Notice;

17 5.2 if the Drag Along Notice is given by the Selling Shareholders, the date so specified by the Selling Shareholders shall be the same date as the date proposed for completion of the sale of the Shares giving rise to the Special Change of Control

unless all of the Called Shareholders, the Selling Shareholders and the Acquirer agree otherwise.

17 6 If any of the Called Shareholders shall make default in selling its Shares in accordance with this Article 17, any director of the Acquirer or other person duly nominated by resolution of the directors for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholder with such power to execute, complete and deliver in the name and on behalf of such Called Shareholder a transfer of the relevant Called Shares and any such director may receive and give a good surcharge of the purchase money on behalf of such Called Shareholder and (subject to the transfer being duly stamped) the Company may enter the name of the third party in the register of members as the holder or holders by transfer of the Called Shares so purchased by him or them. The directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for such Called Shareholder until he shall deliver up a certificate or certificates for the relevant shares to the Company and he shall thereupon be paid by the purchase money

17.7 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and the New Shareholder shall then be bound to sell and transfer all Shares so acquired to the Acquirer or as the Acquirer may direct and the provisions of this Article 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 Come Along Notice being deemed served on the New Shareholder.

COMMUNICATIONS BY OR TO THE COMPANY

18.1 Form of Communications

Any document or information required or permitted to be given by or to the Company, its members and directors under these Articles or the Companies Act shall, unless otherwise specified in these Articles, be in writing and, subject to the Companies Act and any specific requirements of these Articles, may be given

- 18 1.1 personally or by sending it by post or other delivery service in a prepaid envelope addressed to the recipient at its registered address or any other address notified to the sender for the time being for the service of documents or information or by leaving it at any such address or by any other means authorised in writing by the recipient concerned,
- 18 1 2 by sending it in electronic form to an address for the time being notified to the sender by the recipient for that purpose;
- 18 1 3 in the case of any document or information to be given by the Company, by making it available on a website

18 2 Time of Delivery

A document or information sent or supplied by the Company in accordance with Article 18 1 shall be deemed to be received

- 18.2 1 in the case of a document or information delivered personally or left at the recipient's address, when delivered or left,
- 18.2 2 in the case of a document or information sent by post or other delivery service, 48 hours after sending;
- 18.2 3 in the case of a document or information sent in electronic form, 24 hours after sending,
- 18 2 4 in the case of a document or information made available on a website
 - (a) when the document or information was first made available on the website, or
 - (b) if later, when the recipient received (or is deemed to have received) notice of the fact that the document or information was made available on the website

and, for the avoidance of doubt, in calculating any period of hours for the purpose of this Article account shall be taken of any day or part of a day regardless of whether or not it is a Business Day/working day (as defined in section 1173 Companies Act 2006)

18.3 Proof of Delivery

- 18 3 1 In the case of documents or information sent or supplied by the Company, proof that an envelope containing a document or information was properly addressed, prepaid and posted (or consigned to the relevant delivery service or, in the case of a document or information delivered personally or left at the recipient's address, was

properly addressed and delivered personally or left at the recipient's address) shall be conclusive evidence that the document or information was given. In the case of documents or information sent or supplied by the Company, proof that a document or information contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was given.

- 18.3 2 A document or information sent in electronic form shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

18 4 Authentication

- 18.4.1 Where a document or information sent or supplied to the Company it must be authenticated.
- 18.4.2 Where a document or information is sent or supplied to the Company by a person on behalf of another, the Company may require reasonable evidence of the authority of the former to act on behalf of the latter.

18 5 Joint Holders

- 18.5.1 In the case of joint holders of a share, all documents or information required to be given by the Company may be given either to each of the joint holders or to the joint holder whose name stands first in the register of members in respect of the joint holding and documents or information so given shall be sufficiently given to all the joint holders
- 18.5 2 Where anything is to be agreed or specified by joint holders of a share pursuant to this Article 18 or the company communications provisions of the Companies Act 2006, it may be so agreed or specified by each of the joint holders or by the joint holder whose name stands first in the register of members in respect of the joint holding and any agreement or specification so given shall be binding on all the joint holders

18 6 Additional Matters

- 18.6 1 A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which documents or information may be given to him or an address to which documents or information may be given to him in electronic form shall be entitled to have documents or information given to him at such address but otherwise, subject to the Companies Act, no such member shall be entitled to receive any document or information from the Company
- 18.6.2 A member present, either in person or by proxy or being corporation by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called
- 18 6.3 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title

19 **APPOINTMENTS OF PROXIES**

19.1 The appointment of a proxy shall, subject to the provisions of the Companies Acts be in writing, in any common form or in such other form as the Board may approve and:

19.1.1 if in writing but not in electronic form, made under the hand of the appointor or of his attorney duly authorised in writing; or, if the appointor is a corporation, under its common seal or under the hand of some officer or attorney or other person duly authorised in that behalf, or

19.1.2 if in writing in electronic form submitted by or on behalf of the appointor and authenticated

19.2 The appointment of a proxy and any authority under which it is authenticated or a copy of such authority certified notarially or in some other way approved by the directors shall:

19.2.1 in the case of an appointment in writing but not in electronic form be deposited at the registered office (or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or

19.2.2 in the case of an appointment contained in electronic form, where an address has been specified for the purpose of receiving documents or information in electronic form;

(i) in the notice convening the meeting, or

(ii) in any instrument of proxy sent out by the Company in relation to the meeting, or

(iii) in any invitation in electronic form to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

19.2.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll;

or

19.2.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director,

and an appointment of a proxy which is not deposited, delivered or received in

a manner so permitted shall be invalid

- 19.3 A vote given or a poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the registered office or at such other place or address at which the appointment of the proxy was duly deposited or received.

19.3.1 in the case of a meeting or adjourned meeting, at least 48 hours before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded, or

19.3.2 in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll;

19.3.3 in the case of a poll taken not more than 48 hours after it was demanded, the time appointed for taking the poll

- 19.4 For the avoidance of doubt, in calculating any period of hours for the purpose of this Article 19 account shall be taken of any day or part of a day regardless of whether or not it is a Business Day/working day

VOTING

20. Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member or by proxy, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Share of which he is the holder

APPOINTMENT OF DIRECTORS

21. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director

PROCEEDINGS OF DIRECTORS

- 22 Notice of every meeting of the directors shall be given to each director at any address supplied to him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.
23. The directors, or a committee of the directors, may hold meetings by telephone either by conference telephone connection(s) or by a series of telephone conversations. The views of the directors, or a committee of the directors, as ascertained by such telephone conversations and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the directors (or, as the case may be of that committee) duly convened and held. 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 then present

CONFLICTS OF INTERET OF DIRECTORS

- 24.1 Subject to the provisions of the Companies Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- 24.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 24 1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 24 1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,
 - 24 1 4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and
 - 24.1 5 shall be entitled to vote or shall count in the quorum at any meeting of the Board or any committee thereof on any matter concerning the foregoing paragraphs of this article
- 24.2 For the purposes of this Article:-
- 21.2 1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,
 - 24.2 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
 - 24 2 3 an interest of a person who is for any purpose of the Companies Acts (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 25.1 For the purposes of section 175 of the Companies Act 2006, the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 25 2 Authorisation of a matter under Article 25.1 shall be effective only if:

- 25.2.1 the matter in question shall have been proposed in writing for consideration at a meeting of the directors or in accordance with the Board's normal procedures or in such other manner as the directors may approve,
- 25.2.2 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 any other interested director (together the "Interested Directors") save that if there are only two directors holding office, the quorum for that part of the meeting dealing with the matter is to be authorised under Article 25.1, shall be any director who is not interested in the matter;
- 25.2.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted; and
- 25.2.4 in taking the decision, the directors act in a way they consider, in good faith, will be most likely to promote the Company's success
- 25.3 Any authorisation of a matter pursuant to Article 25.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 25.4 Any authorisation of a matter under Article 25.1 shall be subject to such conditions or limitations as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such conditions or limitations may include (without limitation):
- 25.4.1 (without prejudice to a director's general obligations of confidentiality) the application to the Interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the matter,
- 25.4.2 the exclusion of the Interested Director from all information relating to, and discussion by the Company of, the matter; and
- 25.4.3 that, where the Interested Director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence
- 25.5 A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation

INDEMNITY

- 26.1 Subject to the provisions of and so far as may be consistent with the Companies Act, 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 properly in relation to or in connection with his duties, including (but

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 judgement 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.

- 26 2 Subject to the Companies Act the Company may purchase and maintain for any director, Auditor, Secretary or other officer of the Company insurance cover against any liability which by virtue of any rule of law may attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company and against all costs, charges, losses and expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Company by virtue of Article 26.1.

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