

Company number 06736805

**PRIVATE COMPANY LIMITED BY SHARES**

**SPECIAL AND ORDINARY RESOLUTIONS**

**OF UTOPIA BROADCASTING LIMITED (Company)**

**Passed on 1 February 2010**

**Pursuant to Chapter 2 of Part 13 of the Companies Act 2006.**

**SPECIAL RESOLUTION**

- 1 THAT the draft regulations attached to this resolution (**New Articles of Association**) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

**ORDINARY RESOLUTION**

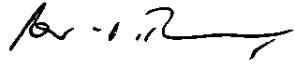
- 2 THAT the one ordinary subscriber share in the Company held by Roger Henry Tempest be re-designated as an A Share (such shares having the rights set out in the New Articles of Association),
- 3 THAT the one ordinary subscriber share in the Company held by Julian Hotchkiss be re-designated as a B Share (such shares having the rights set out in the New Articles of Association),
- 4 THAT four hundred and ninety nine ordinary shares of £1 each in the unissued share capital of the Company be re-designated four hundred and ninety nine A Shares of £1 each in the unissued share capital of the Company (such shares having the rights set out in the New Articles of Association),
- 5 THAT four hundred and ninety nine ordinary shares of £1 each in the unissued share capital of the Company be re-designated four hundred and ninety nine B Shares of £1 each in the unissued share capital of the Company (such shares having the rights set out in the New Articles of Association),

**SPECIAL RESOLUTION**

- 6 THAT the directors be unconditionally authorised to allot 26 A Shares in the Company to Roger Henry Tempest for a total subscription price of £46,228 (being the par value of £1 plus a premium of £1,777 per share),



- 7 THAT the directors be unconditionally authorised to allot 2 B Shares in the Company to Julian Hotchkiss for a total subscription price of £81,226 (being the par value of £1 plus a premium of £40,612 per share)

Signed 

Director ROGER KNEPST

**THE COMPANIES ACTS 1985 AND 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**UTOPIA BROADCASTING LIMITED**

**COMPANY NUMBER 06736805**

(Adopted by Written Special Resolution passed on -  
1<sup>st</sup> February 2010)

**1. INTERPRETATION**

1.1 In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.

1.2 In these Articles, the following words have the following meanings

**A Director:** any Director appointed to the Company by the holders of A Shares

**A Share:** an ordinary share of £1.00 in the capital of the Company designated as an A Share

**A Shareholder:** a member holding A Shares

**Act:** the provisions of the Companies Act 1985 and the Companies Act 2006 as amended and in force prior to adoption of these Articles

**B Share:** an ordinary share of £1.00 in the capital of the Company designated as a B Share

**B Shareholder:** a member holding B Shares

**Board:** the board of directors of the Company

**Business Day:** a day (other than a Saturday or Sunday) when banks in London are open for business

**Company:** Utopia Broadcasting Limited.

**Expert:** an independent firm of accountants appointed by the members or, in the absence of agreement between the members on the expert or his terms of appointment within seven days of a member serving details of a suggested expert on the other, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (acting as an expert and not as an arbitrator)

**Fair Value:** in relation to shares, as determined in accordance with article 7 4

**Group:** the Company and its Subsidiaries (if any) from time to time References to a **Group Company** are to any one or more of those companies

**Sale Shares** the B Shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice

**Seller:** the transferor of B Shares pursuant to a Transfer Notice.

**share:** an A Share or a B Share as the case may be

**Shareholder:** a person holding shares in the share capital of the Company

**Subsidiary:** in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Companies Act 2006 and any other company which is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time shall apply to the company as it is at that time,

**Transfer Notice:** an irrevocable notice in writing given by a B Shareholder to the A Shareholders where the B Shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any B Shares Where such notice is deemed to have been served it shall be referred to as a **Deemed Transfer Notice**

- 13 References in these Articles and in Table A to writing shall be construed as including references to any method of representing or reproducing words in a legible and non-transitory form
- 14 References in these Articles to paragraphs and sub-paragraphs are to the paragraphs and sub-paragraphs of the Article and paragraph in which they appear
- 15 Headings in these Articles are for convenience only and shall not affect the interpretation hereof
- 16 A reference to a person includes an individual, partnership or corporation

**2. ADOPTION OF TABLE A**

- 2.1 The Regulations contained in Table A as it relates to a private company limited by shares shall, except where they are modified or excluded by these Articles or are inconsistent herewith, apply to the Company and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2.2 Regulations 24, 26, 40, 41, 54, 57, 58, 60 to 62 (inclusive), 64 to 66 (inclusive), 76 to 79 (inclusive), 85, 86, 88 to 90 (inclusive), 94, 112, 115 and 118 of Table A shall not apply to the Company

**3. SHARE CAPITAL**

- 3.1 The share capital of the Company at the date of adoption of these Articles is £1,000 divided into 500 A Shares and 500 B Shares
- 3.2 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects, but shall constitute separate classes of shares.
- 3.3 On the transfer of any share as permitted by these Articles a share transferred to a non-member shall remain of the same class as before the transfer. A transfer of an A Share to an existing member holding B Share(s) shall be automatically converted to a B Share and a transfer of a B Share to an existing member holding A Share(s) shall be automatically converted to an A Share

**4. INITIAL AUTHORITY TO ISSUE RELEVANT SECURITIES**

- 4.1 The directors are authorised to exercise all powers of the Company to allot relevant securities, but only if the allotment otherwise conforms to the requirements of these Articles. The maximum nominal amount of relevant securities which may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of these Articles or such other amount as may from time to time be authorised by the Company in general meeting
- 4.2 The authority conferred on the directors by this Article shall remain in force for a period of five years from the date of adoption of these Articles but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act

**5. PERMITTED TRANSFERS**

5.1 All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment thereof for the time being in force) or in any other form which the directors may approve

5.2 No B Shareholder or his personal representatives shall sell, transfer, assign, pledge, charge or otherwise dispose of any B Share or any interest in any B Share except

- (a) with the prior written consent of all the A Shareholders for the time being, or
- (b) in accordance with articles 6, 7 or 8

5.3 An A Shareholder and his personal representatives may transfer all or any of his or its A Shares to any person (whether an existing member or not) without restriction and the directors shall not refuse to register any transfer of an A Share by an A Shareholder but may, in their absolute discretion decline to register any transfer of any A Share which would otherwise be permitted by these Articles if it is a transfer

- (a) of an A Share on which the Company has a lien;
- (b) of an A Share (not being a fully paid A Share) to a person of whom they shall not approve,

**6. TRANSFER OF B SHARES SUBJECT TO PRE-EMPTION RIGHTS**

6.1 In this Article, references to a transfer of a B Share include the transfer or assignment of a beneficial or other interest in that B Share or the creation of a trust or encumbrance over that B Share and reference to a B Share includes a beneficial or other interest in a B Share

6.2 Except where the provisions of Articles 7, or 8 apply, any transfer of B Shares by a B Shareholder shall be subject to the pre-emption rights in this Article

6.3 A Seller shall, before transferring or agreeing to transfer any B Shares, give a Transfer Notice to the Company specifying

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
- (c) the price (in cash) per share at which he wishes to transfer the Sale Shares, and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to the A Shareholders (Minimum Transfer Condition)

- 6 4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn. The price (in cash) per share (**Transfer Price**) shall be either
- (a) the price (in cash) per share which the Seller and the holders of a majority of the A Shares for the time being agree in writing, or
  - (b) if no such agreement is reached within 15 Business Days of receipt of the Transfer Notice by the Company, the Fair Value, or
- such price (in cash) per share as shall be determined in accordance with article 7 3 in the event that the provisions of articles 7 1 and/or 7 2 apply
- 6 5 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 6 6 As soon as practicable following the receipt of a Transfer Notice and the ascertainment of the Transfer Price, the Board shall offer the Sale Shares for sale to the A Shareholders in the manner set out in article 6 7. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 6 7 The Board shall offer the Sale Shares to all holders of A Shareholders (**Continuing Shareholders**), inviting them to apply in writing within 40 Business Days of the date of the offer (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this article 6 7 and article 6 8 shall be conditional on the fulfilment of the Minimum Transfer Condition

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Surplus Shares**) shall be dealt with in accordance with article 6 8

- 6 8 At the end of the First Offer Period the Company shall have an option (**'the Option'**) to purchase all the Surplus Shares at the Transfer Price, which Option it shall exercise in writing served on the Seller within 30 Business Days of the end of the First Offer

Period (in either case 'the Option Period') If the Option is exercised by the Company then subject to its ability to comply with any statutory requirements which may affect its ability to purchase the Surplus Shares ('a Permitted Reason') the Company shall be obliged to complete the purchase of the Surplus Shares within a period of two months from the end of the Option Period ('the Purchase Period') If the Company does not exercise the Option within the Option Period or if the Company exercises the Option but is unable to complete the purchase of the Surplus Shares during the Purchase Period as a result of a Permitted Reason then within 10 Business Days of the end of the earlier of (a) the Option Period (where the Option has not been exercised), (b) the Purchase Period (where the Option has been exercised), or (c) the Company gives the members of the Company notice in writing that it does not wish to exercise the Option (the "Company Option End Date"), the provisions of Article 6 9 shall apply

- 6 9 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for under article 6 7 and/or article 6 8 is less than the number of Sale Shares specified in the Minimum Transfer Condition (Unfulfilled Minimum Transfer Condition), the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 6.7 and/or article 6 8, stating that the provisions of Article 6 11 shall apply with immediate effect.

If

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition, and
- (b) allocations under article 6 7 and, if necessary, article 6 8 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (Allocation Notice) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (Applicant) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (Consideration) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 20 Business Days after the date of the Allocation Notice).

- 6.10 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice

If the Seller fails to comply with the requirements of the Allocation Notice

- (a) the Chairman of the Company (or, failing him, one of the other Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller



- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
  - (ii) receive the Consideration and give a good discharge for it, and
  - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of Shareholders as the holders of the shares purchased by them, and
- (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those shares) to the Company
- 6 11 If an Allocation Notice does not relate to all of the Sale Shares (which are not otherwise to be purchased by the Company under the provisions of Article 6 8 or in the event of an Unfulfilled Minimum Transfer Condition then, subject to article 6 12 , the Seller may, within 26 weeks following service of the Allocation Notice, transfer the Surplus Shares or (in the case of an Unfulfilled Minimum Transfer Condition the Sale Shares) to any person at a price at least equal to the Transfer Price
- 6 12 The Seller's right to transfer B Shares under article 6 11 does not apply if the A Shareholders reasonably considers that
- (a) the transferee (or a member of its Group) is a person (or a nominee for a person) who is a competitor with the business of the Company or with a Subsidiary of the Company, or
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the A Shareholders to enable it to form the opinion mentioned above.

## 7. OBLIGATORY TRANSFERS

- 7 1 If any of the following events (Obligatory Transfer Events) happen to a B Shareholder (in this Article, the Seller), the provisions of this Article shall apply to such B Shareholder
- (a) a petition or any other document is presented, or an order is made, for the party's bankruptcy,
  - (b) an application to the court is made under section 253 of the Insolvency Act 1986 where the party intends to make a proposal to his creditors for a voluntary arrangement,

- (c) the party makes an individual voluntary arrangement with his creditors on agreed terms pursuant to Schedule 22 of the Enterprise Act 2002,
- (d) the party convenes a meeting of his creditors or takes any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally,
- (e) the party is unable to pay his debts as they fall due for the purposes of section 268 of the Insolvency Act 1986,
- (f) any encumbrancer takes possession of, or a receiver or administrator or administrative receiver is appointed over or in relation to, all or any material part of the party's assets,
- (g) the happening in relation to a party of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets;
- (h) the member has a disqualification order made against him under the Company Directors Disqualification Act 1986,
- (i) a Non-Performance Notice is served on him by the A Shareholders under the provisions of Article 7 2
- (j) the B Shareholder, being Julian Hotchkiss, ceases to devote his full time and attention to the Company as a director, or
- (k) the member dies,
- (l) the court has made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005 in relation to the member.

If a B Shareholder suffers an Obligatory Transfer Event he shall be regarded as giving a Deemed Transfer Notice in relation to his or its B Shares in the Company on the date on which the A Shareholders serve a written request on him or his estate or personal representatives to serve a Transfer Notice as a result of the Obligatory Transfer Event.

- 7 2 If the Company at any time after 1 March 2010 makes a Net Loss in any three successive months (a **Non-Performance**) the A Shareholders shall be entitled to serve notice in writing on the B Shareholders (**Non-Performance Notice**) following which the provisions of Article 7 1 shall apply

For the purposes of this Article Net Loss means the net loss (if any) of the Company as shown in the monthly management accounts of the Company prepared by or on behalf of the A Shareholders

- 7 3 Upon any Transfer Notice or Deemed Transfer Notice being served pursuant to article 7, then
- (a) the Transfer Notice shall is deemed automatically to be served with no Minimum Transfer Condition,

- (b) the Transfer Price shall be deemed automatically to be,
  - (i) if the Transfer Notice or Deemed Transfer Notice arises in relation to or follows any of the Obligatory Transfer Events referred to in articles 7 1 (a) to (i) inclusive and/or (if prior to 1 January 2011) article 7 1 (j), £1 per share, and
  - (ii) in any other case the Fair Value, and
- (c) the provisions of articles 6 4 – 6 12 inclusive shall apply mutatis mutandis to that Transfer Notice

7 4 The Fair Value of the shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions

- (a) the value of the shares in question shall be discounted for the size of the Seller's shareholding if they represent a minority shareholding or for the rights or restrictions applying to the shares),
- (b) the sale is between a willing buyer and a willing seller on the open market,
- (c) the sale is taking place on the date that the Obligatory Transfer Event occurred, or where a Transfer Notice (not deemed) is served, on the date of that service,
- (d) the shares are sold free of all encumbrances,
- (e) any adverse effect on the Company (as determined by the Expert) of any Non-Performance,
- (f) if the provisions of Article 7 1(j) apply (on or after 1 January 2011) any adverse effect on the Company (as determined by the Expert) that Julian Hotchkiss ceasing to devote his full time and attention to the Company as a director, will have or is likely to have on the Company; and
- (g) to take account of any other factors that the Expert reasonably believes should be taken into account

If any problem arises in applying any of the assumptions set out in this article 7 4, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit

7 5 The Expert shall be requested to determine the Fair Value within 20 Business Days of his appointment and to notify the members of his determination

7 6 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company

7 7 The Expert's determination shall be final and binding on the members (in the absence of fraud or manifest error).

8. DRAG ALONG

- 8.1 If the holders of more than 50% of the shares in issue for the time being (Selling Shareholders) wish to transfer all of their interest in the shares (Sellers' Shares) to a bona fide arm's length purchaser (Proposed Buyer), the Selling Shareholders may require all other Shareholders (Called Shareholders) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (Drag Along Option)
- 8.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (Drag Along Notice) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify
- (a) that the Called Shareholders are required to transfer all their Shares (Called Shares) pursuant to this article 8,
  - (b) the person to whom the Called Shares are to be transferred,
  - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per share offered by the Proposed Buyer for the Sellers' Shares and on the same terms (whether deferred or otherwise), and
  - (d) the proposed date of the transfer
- 8.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 90 days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 8.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 8.
- 8.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders
- 8.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served
- 8.7 Within 21 days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for

any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 8 2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 8 2(c) in trust for the Called Shareholders without any obligation to pay interest.

8 8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 8 2(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 8 in respect of their Shares.

8 9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 8.

## 9. QUORUM AT GENERAL MEETINGS

9 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be one person being an A Shareholder present in person or by proxy.

9 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

9 3 If within five minutes (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting a quorum is not present, the meeting shall be dissolved.

## 10. VOTES

10.1 At a general meeting, on a show of hands every member who is present in person or by proxy shall have one vote, unless the proxy is himself a member entitled to vote,

and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder

10 2 The chairman shall not have a second or casting vote.

#### 11. PROXIES

11 1 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve, and the directors may at their discretion treat a faxed or other machine-made copy of an instrument in any such form as an original copy of the instrument. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates, and shall be deemed to include authority to vote as the proxy thinks fit on any amendment of a resolution put to the meeting for which it is given

11 2 The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority (certified notarially or in any other manner approved by the directors) may

- (a) be delivered to the registered office, or to some other place within the United Kingdom or to some person specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at any time, before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
- (b) in case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid

#### 12. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum. The minimum number of directors is one

#### 13. APPOINTMENT AND RETIREMENT OF DIRECTORS

13 1 Subject to Articles 13.5 to 13.8 inclusive no person shall be appointed a director at any general meeting unless:

- (a) he is recommended by the directors, or
- (b) not less than 14 or more than 35 clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be

required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed

- 13.2 Not less than seven nor more than 28 clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment as a director. The notice shall give particulars of that person which would, if he were so appointed, be required to be included in the Company's register of directors
- 13.3 Subject as aforesaid the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director
- 13.4 Subject to the provisions of the Companies Acts, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate (unless the terms of his appointment provide otherwise) if he ceases to be a director but without prejudice to any claim for damages for breach of the contract of service between the director and Company
- 13.5 Notwithstanding the provisions of Articles 13.1 to 13.4 inclusive the holders of a majority of the A Shares for the time being shall be entitled to appoint any person or persons to be an A Director of the Company and there shall be no maximum limit on the number of A Directors so appointed
- 13.6 Any A Director may at any time be removed from office by the holder of a majority of the A Shares
- 13.7 If any A Director shall be removed from or vacate office for any cause other than death, the holder of a majority of the A Shares shall be entitled to appoint in his place another person to be an A Director.
- 13.8 Any appointment or removal of a Director pursuant to Articles 13.5 to 13.8 inclusive shall be in writing and signed by or on behalf of the holder of a majority of the A Shares and served on each of the B Shareholders and the Company at its registered office, marked for the attention of the Board. Any such appointment or removal of a Director shall take effect when received by the Company or at such later time as shall be specified in such notice

- 13 9 If requested by the holders of a majority of the A Shares for the time the holders of a majority of the B Shares for the time being shall following a Transfer Notice or a Deemed Transfer Notice that relates to all of the B Shares then in issue, procure that Julian Hotchkiss (if he is then a Director) shall immediately resign as a Director without liability on the Company for compensation for loss of office as a Director or otherwise

**14. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

- 14 1 Any director (other than an alternate director) may appoint any person (whether or not a director) to be an alternate director and may remove from office an alternate director appointed by him

- 14 2 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at such meetings at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence. An alternate director who is already a director of the Company in his own right, will also be a director (and may vote) in his own right

- 14 3 An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the director appointing him as an alternate director may by notice in writing to the Company from time to time direct.

**15. NOTICE OF BOARD MEETINGS**

- 15 1 Any director may call a meeting of directors

- 15 2 Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing (including by e-mail) to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned

- 15 3 A director may waive notice of any meeting either prospectively or retrospectively

- 15 4 The parties will ensure that at least 10 Business Days' notice of a meeting of directors is given to all directors entitled to receive notice accompanied by

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting, and



(b) copies of any papers to be discussed at the meeting

- 15.5 A shorter period of notice of a meeting of directors may be given if at least two directors agree in writing

**16. PROCEEDINGS OF DIRECTORS**

- 16.1 Subject as provided in these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will try to meet at least monthly.

- 16.2 The quorum at any meeting of the directors (including adjourned meetings) shall be one director being an A Director or his alternates. No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place.

- 16.3 Each director has one vote at a meeting of directors.

- 16.4 All or any of the directors or members of any committee of the directors may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum, and accordingly, subject to article 16.2, a meeting of the directors or committee of the directors may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid. A meeting where those present or deemed to be present are in different locations 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 then is.

- 16.5 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it.

**17. DIRECTORS' INTERESTS**

- 17.1 For the purposes of section 175 of the Companies Act 2006, the members (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by a director which would, if not so authorised, involve a breach of duty by a director under section 175 of the Companies Act 2006 to avoid conflicts of interest (a Conflict)

Any authorisation of a matter or situation under this Article may extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised.

- 17.2 The relevant director seeking authorisation of the Conflict (the **Interested Director**) must provide the members with such details as are necessary for the members to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the members
- 17.3 Any authorisation by the members of a Conflict may (whether at the time of giving the authorisation or subsequently)
- (a) provide that the Interested Director be excluded from the receipt of documents and information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the Conflict,
  - (b) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the members think fit,
  - (c) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise 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 that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
  - (d) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 17.4 The Interested Director will be obliged to conduct himself in accordance with any terms imposed by the members in relation to the Conflict.
- 17.5 The members may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 17.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 17.1 shall be necessary in respect of any such interest

17 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the members in accordance with this Article (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

17 8 A director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act

17 9 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 17 8.

17 10 Subject, where applicable, to the disclosures required under article 17 8 and article 17 9, and to any terms and conditions imposed by the members in accordance with article 17 3, a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.

17 11 A director need not declare an interest under article 17 8 or article 17 9 as the case may be

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
- (b) of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware,
- (c) if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware, or
- (d) if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a board meeting

## 18. INDEMNITY

18 1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be

indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs

- 18.2 The Company may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Company, or in relation to its affairs

19. NOTICES: TIME OF SERVICE

- 19.1 Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by pre-paid registered post (reputable international overnight courier in the case of an address for service outside the United Kingdom) addressed to the member at his last known address or by fax to a number provided by the member for this purpose, or by leaving it at his last known address addressed to the member, or by any other means authorised in writing by the member concerned

- 19.2 In the case of joint holders of a share, all notices must be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding. Notice so given constitutes notice to all the joint holders

- 19.3 Any notice or other document shall be deemed served:

- (a) if given personally, when delivered, or
- (b) if sent by registered post, two Business Days after posting to an address in the United Kingdom or five Business Days after posting to an address outside the United Kingdom if sent by reputable international overnight courier addressed to the relevant party provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider, or
- (c) if sent by fax, when despatched

In proving such service or delivery, it shall be sufficient to prove that the notice or document was delivered to the address given for notice, or properly addressed, stamped and put in the post or, in the case of a fax, that such fax was duly despatched to a current fax number of the addressee

19.4 Any requirement in these Articles or in Table A for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where a notice, resolution or other document is received with the signature of the relevant person reproduced thereon by means of facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within 14 days of receipt of the reproduction