

THE COMPANIES ACT 2006

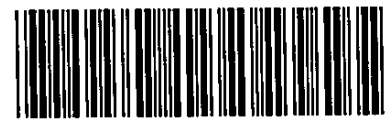
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HULLMATE LIMITED

WEDNESDAY



RM 18/05/2011 216
COMPANIES HOUSE

1 PRELIMINARY

Except as provided, excluded or modified by these Articles, the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles ("**Model Articles**") shall apply to the Company and, together with these Articles, shall constitute the articles of the Company, to the exclusion of all other regulations and articles. In these Articles "**Regulations**" shall refer to regulations of the Model Articles

2 INTERPRETATION

2 1 Unless the context otherwise requires, words and expressions which bear particular meanings in the Model Articles shall bear the same respective meanings in these Articles. In these Articles the "**2006 Act**" means the Companies Act 2006, but so that any reference in these articles to any provision of the 2006 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force

2 2 Regulations 19, 49, 52 and 53 shall not apply to the Company

2 3 The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set out opposite them -

"**Bad Leaver**"

an Employee Shareholder who ceases to be an Employee Shareholder in circumstances where he is not a Good Leaver,

"**Board**"

means the board of directors of the Company from time to time,

"Business Day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,
"Eligible Directors"	a director who would be entitled to vote on the matter at the meeting of directors (but excluding any directors whose vote is not to be counted in respect of a particular matter),
"Employee Shareholder"	a shareholder who is an employee or director or consultant of the Company (excluding the Founder),
"Expert"	an independent accountant appointed by agreement between the Transferor and the Board or in default of such agreement appointed on the application of either by the President of the Institute of Chartered Accountants in England and Wales,
"Family Trusts"	in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder (" Settlor ") and/or the Settlor's Privileged Relations,
"Founder"	Mark Richard Howard being a shareholder of the Company at the date of adoption of these Articles,
"Good Leaver"	<p>an Employee Shareholder who ceases to be an Employee Shareholder as a result of</p> <p>(a) death, redundancy, retirement at normal retirement age or by mutual agreement,</p> <p>(b) physical or mental ill health which is determined by at least two medical reports from independent specialists which confirm that the Employee Shareholder is unable to perform substantially all of his duties as a director and/or employee of the Company for a period of 12 months and the Employee Shareholder ceases to be an employee of the Company as a result thereof, or</p> <p>(c) the Employee Shareholder being wrongfully or unfairly dismissed from his employment with the Company,</p>
"Investor"	means a shareholder who subscribed for shares on the date of adoption of these Articles
"Issue Price"	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium,
"Market Value"	for the purposes of Article 7 such value as the Expert shall, on the application of either the Transferor or the Board, certify in writing to be the market value of the Sale Shares. In certifying the market value of the Sale Shares the Expert shall be considered to be acting as an expert and not an arbitrator and their decision shall

	(save in the case of manifest error) be final and binding The reasonable costs of the Expert shall be borne by the Company For the purpose of certifying the Market Value the Expert shall value the Sale Shares as a block on a going concern basis on the assumption of an arms length sale between a willing seller and a willing buyer but taking full account of the rights and restrictions attached to the Sale Shares including whether the Sale Shares do or do not (taken as a whole) confer any right of control of the Company,
"Member of the Same Group"	as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of any such parent undertaking,
"Non-Allocation Notice"	a notice served by the Company upon a Transferor pursuant to Article 7 12 to identify Sale Shares for which no Purchasing Shareholder has been identified,
"Offer Notice"	a notice served by the Company pursuant to Article 7 8 to offer Sale Shares to shareholders or potential shareholders,
"Option Agreement"	the option agreement entered into between the Company and Beer & Partners Limited,
"Permitted Transferee"	<ul style="list-style-type: none"> (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Family Trusts or to the trustees of those Family Trusts, (b) in relation to a Shareholder that is an undertaking (as defined in section 1161(1) of the 2006 Act), to any Member of the same Group,
"Privileged Relation"	the spouse of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the Shareholder's children,
"Purchasing Shareholder"	a shareholder or potential shareholder willing to purchase Sale Shares,
"Relevant Securities"	any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the date of adoption of the Articles,
"Sale Notice"	means a notice issued by the Company to a Transferor to identify the Sale Shares for which Purchasing Shareholders have been identified,
"Sale Price"	a price per Sale Share determined pursuant to Articles 7 1 to 7 4 (as appropriate),
"Sale Shares"	where a Transfer Notice is deemed served, the entire holding of Shares of the relevant shareholder,
"Shares"	means the ordinary shares of £1 each in the capital of the Company (each a "Share"),

"Transfer Notice"

a notice in writing given by any shareholder to the Company where that shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares. Where such notice is deemed to have been served, it shall be referred to as a **"Deemed Transfer Notice"**

"Transferor"

a shareholder who issues or is deemed to issue a Transfer Notice,

3 SHARE CAPITAL

- 3 1 The directors are generally and unconditionally authorised for the purposes of section 551 of the 2006 Act to exercise all the powers of the Company, to allot, and to grant rights to subscribe for or convert any security into, shares of the Company, up to an aggregate nominal value of £2,000,000. Unless renewed, this authority shall expire on the fifth anniversary of the date of incorporation of the Company, provided that the Company may make any offer or agreement during the continuance of this authority (as originally granted or from time to time renewed) which would or might require shares to be allotted, and/or rights to subscribe for or convert any security into shares to be granted, after its expiry.
- 3 2 Sections 561 and 562 of the 2006 Act shall not apply to the allotment by the Company of any equity security (as defined in section 560(1) of the 2006 Act) made by the Company.
- 4 If the Company issues any Relevant Securities pursuant to the Option Agreement (**Option Agreement Shares**) the Investor shall be entitled to subscribe for an additional number of shares equal to 25 per cent of the number of Option Agreement Shares at the same price per share as the Issue Price of the Option Agreement Shares.

5 PERMITTED TRANSFERS

- 5 1 A shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares in the Company to a Permitted Transferee or to any other person with the consent of the holders of 75% of the Shares for the time being in issue in the share capital of the Company.
- 5 2 If the Original Shareholder is an undertaking (as defined in section 1161(1) of the 2006 Act), and a Permitted Transfer has been made, the Permitted Transferee shall, within ten Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares it holds to
- (a) the Original Shareholder, or
- (b) a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 5 a Deemed Transfer Notice shall be given in respect of such Shares.
- 5 3 Where Shares are held by the trustees of a Family Trust, the trustees may transfer shares to

- (a) the Original Shareholder,
- (b) another Privileged Relation of the Original Shareholder provided that person is a Permitted Transferee,
- (c) subject to Article 5 4, another Family Trust of which the Original Shareholder is the Settlor, or
- (d) to the new (or remaining) trustees upon a change of trustees of a Family Trust,

without any price or other restriction

5 4 A transfer of Shares may only be made to a Family Trust if the holders of 75% or more of the Shares are satisfied

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustees,
- (b) with the identity of the proposed trustees,
- (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
- (d) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company

5 5 If a Permitted Transfer is made to the spouse of the Original Shareholder, the Permitted Transferee shall within ten Business Days of ceasing to be the spouse of the Original Shareholder (whether by reason of divorce or otherwise) either

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
- (b) give a Transfer Notice to the Company in accordance with Article 6 7 [as renumbered],

failing which a Deemed Transfer Notice shall be given in respect of the relevant Shares

5 6 On the death, bankruptcy or liquidation of a Permitted Transferee (other than a joint holder), his personal representatives, trustee in bankruptcy or its liquidator shall execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee (without any price or other restriction) within ten Business Days after the date of the grant of probate, the making of the bankruptcy order or the passing of a resolution or making of an order for winding up. The transfer shall be to the Original Shareholder, if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within ten Business Days of that period, or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator shall be deemed to have given a Transfer Notice

5 7 Notwithstanding any other provision of this Article 5, a transfer of any shares approved by the holders of 75% or more of the Shares may be made without any price or other restriction and any such transfer shall be registered by the directors

6 TRANSMISSION OF SHARES

The directors may at any time give notice requiring a transmittee to elect to be registered as holder of the share and if the notice is not complied with within ninety days of issue the directors may at any time after the expiry of that period withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been satisfied. Regulation 27(3) shall be modified accordingly.

7 DEEMED TRANSFER

- 7.1 If any shareholder, or, in the case of joint shareholders, if the survivor of such joint shareholder, shall die, a Transfer Notice shall be deemed to have been served in accordance with Article 7.5 below, upon the date that the Company receives notice of the death of such shareholder. The Sale Price of the Sale Shares for the purposes of this Article 7.1 shall be the Market Value of the Sale Shares. Subject to the provisions of this Article 7.1, regulations 27 to 29 inclusive of the Model Articles shall apply as regards the transmission of shares on the death of a shareholder.
- 7.2 If any Shareholder shall become bankrupt or, being a company, shall pass a resolution to wind itself up or have a winding up order issued or make any arrangement or composition with his creditors or, being an individual, become of unsound mind or, if while he is a patient within the meaning of the Mental Health Act 1983, an order shall be made in respect of his property under Section 95 or 96 of that Act, a Transfer Notice shall be deemed to have been served in accordance with Article 7.5 below on the date of the happening of any such event. The Sale Price of the Sale Shares for the purposes of this Article 7.2 shall be the nominal value of the shares. Subject to the provisions of this Article 7.2, regulations 27 to 29 inclusive of the Model Articles shall apply as regards the transmission of shares on the bankruptcy of a shareholder.
- 7.3 If an Employee Shareholder shall cease for any reason (including but not limited to death or termination of employment by the Employee Shareholder or Company) to be an employee, director or consultant of the Company (and does not continue in that capacity in relation to the Company) then a Transfer Notice shall be deemed to have been served in accordance with Article 7.5 below on the date of such cessation. The Sale Price of the Sale Shares for the purposes of this clause 7.3 shall be determined as follows:
- 7.3.1 In the case of a Good Leaver the Sale Price shall be the Market Value of the Sale Shares.
- 7.3.2 In the case of a Bad Leaver the Sale Price shall be 50% of the Market Value of the Sale Shares.
- 7.4 If any shareholder in breach of this Article should attempt to transfer, charge or otherwise dispose of the legal or beneficial interest in any shares a Transfer Notice shall be deemed to be served in accordance with Article 7.5 below upon the date that the Company receives notice of any attempted transfer, charge or other disposal. The Sale Price of the Sale Shares for the purposes of this clause 7.4 shall be the Market Value of the Sale Shares.
- 7.5 If any shareholder proposes to transfer any Shares or the beneficial interest therein to a third party which has offered to purchase such Shares, the provisions of Article 6 shall apply. If any shareholder wishes to transfer any Shares or the beneficial interest therein other than to such a third party in accordance with Article 6 he shall

give a Transfer Notice to the Company. The Sale Price of the Sale Shares for the purposes of this clause 7.5 shall be the price agreed between the Transferor and the Board or if not agreed the Market Value of the Sale Shares.

- 7.6 For the purposes of Articles 7.1 to 7.5 above the Transferor shall be deemed to have given notice in writing to the Company specifying that he wishes to sell the Sale Shares (which for the avoidance of doubt will constitute the Transferor's entire holding of shares in the Company) ("**Transfer Notice**"). The Transfer Notice shall constitute the Company the agent of the Transferor for the sale of the Sale Shares comprised in the Transfer Notice.
- 7.7 Within 21 days of the Sale Price being determined in accordance with Articles 7.1 to 7.5, the Company may, subject to the provisions of the 2006 Act, exercise its power to purchase such number of the Sale Shares as it may determine.
- 7.8 If the Company declines or is unable to exercise the powers referred to in Article 7.6 the Sale Shares shall be offered with an Offer Notice to all the shareholders at the date of the Transfer Notice (other than the Transferor) as nearly as may be in proportion to the number of shares held by them respectively.
- 7.9 The Offer Notice shall be in writing and shall state the number of the Sale Shares, the Sale Price and shall limit the time in which the offer may be accepted, being not less than 21 days nor more than 42 days after the date of the Offer Notice. The Offer Notice shall further invite each shareholder to state in his reply the number of additional Sale Shares (if any) in excess of his proportion which he desires to purchase and if all the shareholders do not accept the offer in respect of their respective proportions in full, the Sale Shares not so accepted shall be used to satisfy the claims for additional Sale Shares as nearly as may be in proportion to the number of Shares already held by the claimants respectively at the date of the relevant Transfer Notice provided that no shareholder shall be obliged to take more Sale Shares than he shall have applied for. If any Sale Shares shall not be capable (without fractions) of being offered to the shareholders in proportion to their existing holdings, the same shall be offered to the shareholders, or such of them, in such proportions and in such manner as may be determined by the Board. For the purpose of these Articles an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company.
- 7.10 If Purchasing Shareholders shall be found for all the Sale Shares within the appropriate period specified in paragraph 7.8 of this Article, the Company shall not later than 14 days after the expiry of such period give notice in writing to the Transferor and the Purchasing Shareholders (identifying the Purchasing Shareholders and the Sale Shares allocated to each of them) and the Transferor shall be bound upon payment of the Sale Price to transfer the Sale Shares to the Purchasing Shareholders.
- 7.11 If the Company shall not find a shareholder or shareholders willing to purchase all or any of the Sale Shares pursuant to this Article before the expiry of the period referred to in Article 7.8 then the Company may with the prior written consent of the holders of all of the remaining Shares (for the avoidance of doubt excluding the Sale Shares) for a period not exceeding 21 days from the expiration of such period offer such unallocated Sale Shares at the Sale Price to a third party. Within 3 days of the acceptance of any such offer the Company shall serve upon the Transferor a Sale Notice.
- 7.12 If there are any unallocated Sale Shares following the offer to third parties referred to in Article 7.10 the Company shall serve upon the Transferor a Sale Notice in respect

of those Sale Shares allocated and a Non Allocation Notice specifying the number of Sale Shares remaining unallocated

- 7 13 During the period of 30 days following the receipt by the Transferor of a Non Allocation Notice, the Transferor may transfer the Sale Shares specified in the Non Allocation Notice to any person or persons provided that

7 13 1 the price for such Shares is not less than the Sale Price, and

7 13 2 the identity of such person or persons is approved by the Board provided that such approval must not be unreasonably withheld or delayed

- 7 14 If in any case the Transferor, within 14 days of having become bound to do so, fails to transfer any Sale Shares in accordance with this Article, the Company may receive the purchase money on his behalf, and may authorise a director to execute a transfer of such Sale Shares in favour of the Company or the Purchasing Shareholders as the case may be. Payment of the purchase money by the Company into a separate appropriately designated bank account shall be a good discharge to the Purchasing Shareholders or the Company

8 DRAG AND TAG ALONG RIGHTS

- 8 1 Subject to Article 6 6, no shareholder or shareholders (Original Seller(s)) may transfer any of his Shares to a third party (Third Party Acquirer) (Sale Shares) unless the Original Seller(s) has

- (a) first, obtained the written approval of the holders of 75% of the issued share capital at that time to the proposed transfer of the Sale Shares, and
- (b) second, instructed the Board to give written notification to each of the other Shareholders of the proposed sale (Sale Notification),

and the provisions of Article 6 2 to 6 5 (inclusive) shall have been followed in relation to the proposed transfer

- 8 2 The Sale Notification shall

- (a) offer each of the other Shareholders the opportunity to transfer to the Third Party Acquirer such percentage (rounded down to the nearest whole Share) of the Shares held by such Shareholder as is equal to the percentage of all issued Shares in the Company that the third party wishes to acquire (Pro Rata Holding),
- (b) specify the price per share at which the Third Party Acquirer wishes to acquire Shares in the Company (being the same price as offered to the Original Seller(s)) (Acquiring Price), and
- (c) specify that each of the Shareholders must accept or reject such offer within 21 days of it being made to them, failing which they shall be deemed to have rejected the offer

- 8 3 If any of the Shareholders reject such offer, the Original Seller(s) shall be entitled to sell his/their Pro Rata Holding(s) together with such further number of Shares not more than the aggregate of the Pro Rata Holdings of the Shareholders who have rejected such offer (and if there are two or more Original Sellers, such further number of Shares shall be allocated between them pro rata to the number of Shares held by them respectively)

- 8 4 The Company shall not later than 14 days after the expiry of the acceptance period in the Sale Notification give notice in writing to the Third Party Acquirer, the Original Seller(s) and any other Shareholders that have accepted the offer in the Sale Notification (Accepting Sellers) of the number of Shares that each of the Original Seller(s) and the Accepting Sellers shall transfer to the Third Party Acquirer for the Acquiring Price and the Original Seller(s) and the Accepting Sellers shall be bound upon payment of the Acquiring Price to transfer their Pro Rata Holdings (or in the case of the Original Seller(s) such increased number in accordance with Article 6 3) to the Third Party Acquirer
- 8 5 If in any case any of the Original Seller(s) and the Accepting Sellers, within 14 days of having become bound to do so, fails to transfer any of their Shares as required pursuant to Article 6 4, the Company may receive the purchase money on his behalf, and may authorise a director to execute a transfer of such Shares in favour of the Third Party Acquirer Payment of the purchase money by the Third Party Acquirer into a separate appropriately designated bank account shall be a good discharge to the Third Party Acquirer
- 8 6 If the holders of at least 50% of the shares in the Company (for the purposes of this Article 8 the "**Sellers**") intend to sell all of the shares held by them to any person (the shares to be sold by the Sellers being referred to as the "**Selling Shares**") the Sellers shall have the right, if they so wish, to give to the Company not less than 14 days' notice in advance before selling the Selling Shares That notice (the "**Selling Notice**") shall include details of the Selling Shares, the proposed price for each Selling Share to be paid by the proposed purchaser and the place, date, and time of completion of the proposed purchase being a date not less than 14 days from the date of the Selling Notice ("**Completion**")
- 8 7 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a "**Compulsory Sale Notice**") to each of the shareholders and any persons who become holders of shares upon exercise of any options, warrants or other rights to subscribe for shares which exist at the date of the Compulsory Sale Notice (other than the Sellers), giving the details contained in the Selling Notice and requiring them each to sell to the proposed purchaser at Completion all of their holdings of shares
- 8 8 Each shareholder who is given a Compulsory Sale Notice shall sell all of his shares referred to in the Compulsory Sale Notice at the highest price for the same class per Selling Share to be sold to the proposed purchaser on Completion by the Sellers, subject only to the Sellers completing the sale to the proposed purchaser as referred to in Article 8 6
- 8 9 If any shareholder(s) (the "**Defaulting Shareholder(s)**") fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his shares in accordance with the Compulsory Sale Notice The Company may receive the purchase money on the Defaulting Shareholder's behalf, and may authorise a Director as an agent to execute a transfer of the Selling Shares in favour of the proposed purchaser Payment of the purchase money by the Company into a separate appropriately designated bank account shall be a good discharge to the proposed purchaser

9 NOTICES

- 9 1 Any notice required to be given under these Articles will be in writing and signed by (or by some person duly authorised by) the person giving it The notice may be served by leaving it at or sending it by recorded delivery or registered post to (in the

case of the Company) its registered office for the time being or (in the case of a shareholder) his registered address within the United Kingdom

9 2 Any notice so served will be deemed to have been received

9 2 1 in the case of a personal service, upon delivery,

9 2 2 in the case of a recorded delivery or registered post, forty eight hours from the date of posting

9 3 In the case of notices sent by registered post it will be sufficient in proving service to establish that the envelope containing it was properly addressed, stamped and posted

10 NUMBER OF DIRECTORS

Unless otherwise determined by special resolution, the number of directors is not subject to any maximum and shall not be less than two

11 NOTICE OF GENERAL MEETINGS

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all shareholders and to the directors

12 PROCEEDINGS AT GENERAL MEETINGS

12 1 Regulation 41(1) shall apply subject to the addition of the following sentence

"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved"

12 2 A proxy notice may be deposited at the 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 or at any time before the time appointed for the holding of such meeting or adjourned meeting to any director or to the secretary at the place appointed for the holding of such meeting or adjourned meeting at which the person named in the proxy notice proposes to vote

12 3 An instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid Regulation 45 shall be modified accordingly

13 QUORUM FOR DIRECTORS MEETINGS

For the purpose of any meeting (or part of a meeting) held to authorise a director's conflict of interest, if there is only one director in office besides the conflicted director (s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director

14 ALTERNATE DIRECTORS

14 1 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an

alternate director and may remove from office an alternate director so appointed by him

- 14 2 An alternate director shall be entitled to receive notice of all meeting of directors and of all meeting of committees of directors which his appointor is a member, to attend and vote at any such meeting 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 but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom nor shall any meeting of directors be invalid by reason that notice of, or any business to be transacted at, the meeting was not given to any alternate director if his appointor attends such meeting

15 DIRECTORS MAY DELEGATE

Regulation 5 shall apply subject to the insertion of the words "powers, authorities and discretions" in place of the word "powers" wherever it occurs in that Regulation and the addition at the end of the sentence of Regulation 5(3) of the words "but no person dealing in good faith and without notice of any such revocation or alteration shall be affected by it"

16 APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

17 REMUNERATION OF DIRECTORS

The ordinary remuneration of the directors shall be such amount as the directors shall from time to time determine or such other amount as the Company may from time to time by ordinary resolution determine, to be divided among them in such proportion and manner as the directors may determine or, failing agreement, equally. A director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration

18 PROCEEDINGS OF DIRECTORS

- 18 1 A sole director may exercise all the powers of the directors and Regulation 11(3) shall be modified accordingly. For so long as the Company has a sole director the quorum for the transaction of the business of the directors shall be one and Regulation 11(2) shall be modified accordingly
- 18 2 Provided that (so far as applicable) he has complied with the provisions of section 177 and section 182 of the 2006 Act and has declared the nature and extent of his interest, a director who is in any way, whether directly or indirectly, interested in any proposed or existing transaction or arrangement with the Company

- 18 2 1 may be a party to or, whether directly or indirectly, interested in any proposed or existing transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- 18 2 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such proposed or existing transaction or arrangement in which he is interested,
- 18 2 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such proposed or existing transaction or arrangement in which he is interested,
- 18 2 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- 18 2 5 may be a director or other officer of, or employed by, or a party to a proposed or existing transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- 18 2 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the 2006 Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act
- 18 3 Regulation 14 shall be modified accordingly

19 ASSOCIATE DIRECTORS

The directors may at any time and from time to time appoint any person to be an associate director having such title including the word "director" as the directors may decide and may at any time remove any person so appointed. A person so appointed shall not be a director of the Company and shall not be a member of the Board. Subject to any other provision of these Articles, the directors may define and limit the powers and duties of any associate directors and may determine their remuneration which may be in addition to their remuneration as managers or employees of the Company.

20 INDEMNITY

Subject to the 2006 Act, but without prejudice to any indemnity to which any person concerned may otherwise be entitled, the directors, alternate directors, secretary and other officers for the time being of the Company and, at the absolute discretion of the Company, the auditors, shall be indemnified out of the assets of the Company against any costs, charges, losses, expenses and liabilities incurred by them in the execution and/or discharge of their duties, including all liability incurred by them as such in defending any proceedings, whether civil or criminal, in which judgment is given in their favour, or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his

part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty of trust in relation to the Company's (or any associated Company's) affairs or in connection with any application under the 2006 Act in which relief is granted to them by a court of competent jurisdiction

21 INSURANCE

21 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss For the purposes of this Article

21 1 1 a "**relevant officer**" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)),

21 1 2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

21 1 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate