

**Company Number: 10290397**

**IN THE COMPANIES ACTS 2006**  
**COMPANY LIMITED BY SHARES**  
**NEW ARTICLES OF ASSOCIATION**  
**of**  
**ADVANCIS HOLDINGS LIMITED**

**(Adopted by Special Resolution dated 24 July 2017)**

WEDNESDAY



**1 INTERPRETATION**

1.1 In these Articles, if not inconsistent with the subject or context:-

<b>"the Act"</b>	means the Companies Act 2006 and any statutory modification or re-enactment from time to time in force;
<b>"the Articles"</b>	means these Articles of Association as amended from time to time;
<b>"Business Days"</b>	means Monday to Friday inclusive but excluding statutory holidays or days on which banks generally are not open for business;
<b>"the Chairman"</b>	means such person as shall be appointed as chairman of the Company in writing by a Voting Majority;
<b>"Connected Person"</b>	means as defined by Section 839 of the Income and Corporation Taxes Act 1988;
<b>"the Expert"</b>	means an independent chartered accountant to be agreed by a Voting Majority or (in default of such agreement) to be nominated by the President for the time being of the Institute of Chartered Accountants for England and Wales on the application of any Member;
<b>"Financial Year"</b>	means the Company's financial year from time to time;
<b>"Group"</b>	Means from time to time the Company, any holding company of the Company and any subsidiaries of the Company or its holding company;
<b>"Investor Majority"</b>	means the holder(s) for the time being of over 70% in nominal value of the Shares for the time being in issue
<b>"Model Articles"</b>	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;
<b>"Member"</b>	means a party holding a Share or Shares and "Members" shall be construed accordingly;
<b>"Member Related Contract"</b>	means any agreement, transaction or arrangement (including payment of any sum on an ex gratia basis) made

between a Member (or a person who in relation to such person is a Connected Person) and any member of the Group;

**"Pro Rata Portion"** means with respect to any Member a percentage calculated by dividing the number of Shares held by such Member at the relevant time by the total number of Shares then in issue

**"Share"** means an ordinary share of one pence and "Shares" shall be construed accordingly;

**"Shareholders' Agreement"** means any one or more written agreements relating to the Company and to which the Company and some or all of the Members are a party, and expressly stated on its face to be a Shareholders' Agreement for the purposes of these or of any earlier Articles, as any such agreement is amended, waived, restated, modified or supplemented from time to time

**"Voting Majority"** means the written approval and consent of the holder(s) for the time being of at least 80% of all the Shares; and

**"Year End Day"** means the last day of the Financial Year.

1.2 Any term or expression defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles.

1.3 The singular shall include the plural and vice versa.

1.4 The expression "**Member**" or "**Members**" includes his personal representatives.

1.5 References to the masculine gender shall include the feminine gender.

## **2 MODEL ARTICLES**

2.1 The Model Articles shall apply to the Company save insofar as they are modified or excluded by these Articles or are inconsistent with these Articles, 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 articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles where the context admits.

2.3 Any proposed amendment to or variation of these Articles shall be deemed to be a variation of the rights attached to the Shares.

2.4 Regulations 11, 12, 13, 14, 22(1), 26(1), 26(5), 41 and 52 of the Model Articles do not apply to the Company.

## **3 SHARE CAPITAL**

3.1 The Company does not have power to issue share warrants to bearer.

3.2 The provisions of section 561(1) of the Act do not apply to the Company.

3.3 The current issued share capital of the Company is 100 Shares and the Directors shall not have authority pursuant to Section 551 of the Act to issue any further Shares unless otherwise determined by a Special Resolution of the Company.

#### **4 CLASS RIGHTS**

- 4.1 All of the Shares shall confer upon the holders the same rights and rank pari passu in all respects.

#### **5 VOTES**

- 5.1 Regulation 42 of the Model Articles shall apply to the voting rights of Members save that if any Member purports to dispose of any interest in any Shares otherwise than in accordance with the provisions of these Articles, then the Shares concerned shall cease to entitle the holder to attend and vote at general meetings of the Company unless and until the provisions of these Articles have been fully complied with.

#### **6 PERMITTED TRANSFERS**

- 6.1 The directors shall not register any transfer of Shares in the Company save as expressly permitted by these Articles.
- 6.2 Any Share may be transferred at any time by a Member to any other person with the prior written consent of all the Members.

#### **7 UNISSUED SHARES**

- 7.1 Unissued shares shall be allotted only as follows:-
- (A) on the occasion of each allotment the Shares being allotted shall be allotted at the same price (not being at a discount) and on the same terms as to date for payment; and
  - (B) no Shares shall be issued otherwise than to Members already holding Shares without the prior written consent of all the Members.

#### **8 TRANSFER OF SHARES**

- 8.1 The instrument of transfer of any Share shall be executed by or on behalf of the transferor. In the case of a partly-paid Share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of Members in respect of it.
- 8.2 No transfer of any Shares or any interest in Shares shall be made unless the following provisions are complied with in respect of the transfer:
- (A) A Member, or person entitled to Shares by way of the death or bankruptcy of a Member (or upon the liquidation or administration or administrative receivership of any corporate Member), who wishes to transfer Shares or any interest in Shares ("**the Vendor**") shall serve on the Company notice in writing (a "**Transfer Notice**"). A Transfer Notice shall constitute the directors of the Company (excepting the Vendor and any director(s) appointed by the Vendor or any Connected Person of the Vendor (as applicable)) ("**Independent Directors**") as the Vendor's agents for the sale of the Shares specified in it ("**the Sale Shares**") at a price per Share ("**the Sale Price**") which is agreed upon by the Vendor and the Independent Directors or, in the absence of agreement within 20 Business Days of the date of the Transfer Notice, which the Expert (appointed in accordance with paragraph (B) below and acting as an expert and not as an arbitrator) certifies to be in his opinion the fair value per Sale Share, as at the date of the Transfer Notice ("**Fair Value**");
    - (i) reflecting any factors which the Expert reasonably believes should be taken into account by (i) assessing the historical and projected financial performance of the Group; and (ii) applying generally accepted methodologies for valuing the Group, including discounted cash flow analysis, comparisons with any similar companies

whose shares are traded on any stock exchange and comparisons with any publicly disclosed sales of similar companies or significant pools of similar assets;

- (ii) as between a willing seller and a willing buyer contracting on arm's length terms;
- (ii) having regard to the fair value of the business of the Group as a going concern;
- (iii) assuming that the Sale Shares are capable of being transferred without restriction;
- (iv) applying principles and practices consistent with those applied in the previous audited accounts of the Group;
- (v) taking due account as appropriate of the impact on the Business of any material or persistent breaches of or termination of any Shareholders' Agreement or any employment or other agreement to which any member of the Group is a party;
- (iii) but without taking into account (if it be the case) the fact that the Sale Shares constitute a minority or majority interest,

and the Company and the Independent Directors shall instruct the Expert to give such certificate as soon as reasonably practicable (and such certificate shall be binding upon all parties in the absence of manifest error).

- (B) Any Expert required to be appointed pursuant to paragraph (A) above shall be selected and appointed by the Company, with the approval in writing of a majority of the Independent Directors, and shall be a firm of accountants with the requisite valuation skills and market knowledge (not being the auditors of the Company for the time being and not having any conflict of interest with any Group member or with any Member).
- (C) If the Expert is asked to certify the Sale Price the Company shall within 21 days of the issue of the Expert's certificate send a copy to each Member. (Subject to any contrary provisions of the Shareholders' Agreement or these Articles) the Vendor shall be entitled, by notice in writing given to the Company within 14 days of the copy being sent to him, to withdraw the Transfer Notice whereupon the cost of obtaining the certificate shall be borne by the Company. A Transfer Notice shall not otherwise be revocable without the consent of all the Independent Directors, who may impose such condition upon any consent as they think fit, including a condition that the Vendor bears all associated costs.
- (D) Upon the Sale Price being agreed or certified by the Expert and provided the Vendor does not withdraw the Transfer Notice in accordance with paragraph (C) (where permitted to do so), the Independent Directors shall within seven days, by notice in writing, offer the Sale Shares to all the Members (other than the Vendor). The offer shall be open for a period of 28 days from the date of the notice ("**the Acceptance Period**"). If applications are received by the Company by such offerees within the Acceptance Period for a total number of Shares which:
  - (i) is equal to or greater than the number of Sale Shares, the Independent Directors shall allocate the Sale Shares amongst the relevant applicants ("**the Transferees**") pro rata to their respective Share holdings (and, where required, scaling back over-applications in such manner as the Independent Directors see fit, acting in good faith, but avoiding fractional entitlements (by rounding up or down) and avoiding allocation to any applicant of a greater number of Sales Shares than the number for which such person applied), and paragraph (E) below shall apply; or
  - (ii) is less than the number of Sale Shares (or where no applications are received), then the Transfer Notice shall be deemed to be withdrawn and paragraph (G) below shall apply.

- (E) Where paragraph (D)(i) applies, the Independent Directors shall promptly give notice in writing to the Vendor specifying the allocation of Sale Shares to Transferees and:
- (i) to the extent required by law or regulation, the Company shall procure that any application that is required to be made in order to approve any change of control of the Company (or any Group member) is made and obtained without any conditions precedents ("**Regulatory Clearance**") as soon as reasonably practicable; and
  - (ii) if Regulatory Clearance is obtained (or not required), the Company shall notify the Vendor and the Transferees of the place and time (being not earlier than 30 days and not later than 60 days after the date of the Regulatory Clearance unless all such parties agree otherwise) at which the sale shall be completed ("**Completion Notice**");
  - (iii) upon such service of a Completion Notice the Vendor shall be bound to transfer the Sale Shares to the Transferees (and the Transferors shall be bound to purchase such Shares) at the time and place specified in such notice and prior to the date for completion notified in the Completion Notice:
    - (a) the Vendor shall deliver to the Company share certificates relating to the Shares being transferred (or an indemnity in a form satisfactory to the Transferee(s) acting reasonably relating to any share certificate that has been lost or destroyed) and a duly executed stock transfer form or forms and shall notify to the Company the bank account details for transmission of the aggregate consideration under paragraph (F) below; and
    - (b) payment of the Sale Price for the Sale Shares shall be made in the relevant proportions by the Transferees to the Company as agent for the Vendor (and the Company shall hold such monies in a separate bank account in the Company's name and hold it in trust for the Vendor); and
  - (iv) if Regulatory Clearance is not obtained within a period of five months of the relevant application being made ("**Regulatory Clearance Period**"), the provisions of paragraph (G) below shall apply.
- (F) If the Vendor fails to transfer the Sale Shares, any one of the Independent Directors (selected by them, acting by majority, and notified to the Vendor in writing) shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the Sale Shares to the Transferees against payment of the Sale Price to the Company (and lost share certificate indemnities, to the extent required). On payment to the Company pursuant to paragraph (E)(iii)(b), each Transferee shall be deemed to have obtained a good discharge for his obligation to make payment for those Sale Shares allocated to him. On execution and delivery of the transfers, the Transferees shall be entitled to require their names to be entered in the register of Members as the holders by transfer of the Sale Shares. The Company shall then pay the aggregate consideration for the Sale Shares from the relevant account, after deducting any fees or expenses falling to be borne by the Vendor) to the relevant account of the Vendor. After the names of the Transferees have been entered in the register of Members in purported exercise of the above powers, the validity of the proceedings shall not be questioned by any person.
- (G) If (i) the offer of the Sale Shares at the Sale Price is not accepted in whole or in part within the Acceptance Period or (ii) the transfer of the Sale Shares does not obtain Regulatory Clearance within a period of five months of the relevant application being made, then for a period of 6 months following the expiry of the Acceptance Period (in the first instance) or the expiry of the Regulatory Clearance Period (in the second instance):

- (i) the Vendor shall be at liberty during to transfer the Sale Shares to any person at a price per Share not being less than the Sale Price (subject always to Regulatory Clearance);
  - (ii) the Independent Directors may require to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance of any kind to the Purchaser;
  - (iii) if not satisfied, the Independent Directors may refuse to register the relevant instrument of transfer and for the avoidance of doubt, a director who is, or is nominated by, the Vendor shall not be entitled to vote at any board meeting at which a resolution relating to the sale is proposed.
- (H) Upon transferring any of the Sale Shares to the Transferee(s) or to a third party in accordance with the provisions of this Article the Vendor shall procure that any director appointed by the Vendor to the board of the Company shall resign and, pending registration of the transfer, shall assist (if necessary) in procuring that directors nominated by the transferee are appointed in their place.
- (I) Notwithstanding the above, the Independent Directors may decline to register a transfer of a share on which the Company has a lien.
- (J) The restrictions on transfer contained in this Article shall not apply to:-
- (i) a transfer approved in writing by all the Members;
  - (ii) a transfer by a corporate Member ("**the transferor company**") to an associated company ("**the transferee company**") (that is to say, a holding company or wholly-owned subsidiary of the transferor company and any other wholly-owned subsidiary of any holding company). If the transferor company and the transferee company cease to be associated, the transferee company shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all shares transferred to it unless it retransfers the shares to the transferor company; or
  - (iii) a transfer by a corporate Member to a company formed to acquire the whole or a substantial part of its undertaking and assets as part of a scheme of amalgamation or reconstruction. It must be proved to the reasonable satisfaction of the Independent Directors that the transfer bona fide falls within one of these exceptions.
- (K) For the purposes of paragraph (L) below the following shall be deemed to be a **Relevant Event**:
- (i) a direction (by way of renunciation, nomination or otherwise) by a Member entitled to an allotment or transfer of Shares to the effect that all or any of the Shares be allotted, issued or transferred to some person other than himself;
  - (ii) a sale or other disposition of any beneficial interest in a Share (whether or not for consideration) by a Member otherwise than in accordance with the provisions of these Articles and/or any Shareholders' Agreement and whether or not made in writing;
  - (iii) a corporate Member entering into liquidation (other than a Members' voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrative receiver or a receiver being appointed over any of its assets or an administration order being made against it;
  - (iv) the bankruptcy of a Member who is an individual.

- (L) If a Relevant Event occurs in relation to a Member, he shall be deemed to have given a Transfer Notice in respect of all Shares of each class held by him immediately prior to that event as at the date of the Relevant Event.
- (M) Any Transfer Notice deemed to have been given under (L) of this Article 8.2 shall be deemed to contain a provision, binding on the Company, that unless all the Sale Shares comprised in it are sold by the Company pursuant to this Article none shall be sold. Paragraph (C) of this Article shall not apply in so far as it entitles the Vendor to withdraw the Transfer Notice. Where a Member gives a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him he shall not be entitled to withdraw it.
- (N) For the purpose of ensuring that a transfer of Shares is duly authorised, or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given, the Independent Directors may require a Member, the legal representatives of a deceased Member, the liquidator of a corporate Member or a person named as transferee in a transfer lodged for registration to furnish to the Company such information and evidence as the Independent Directors reasonably think fit regarding any matter they deem relevant to that purpose. If the information or evidence is not furnished to the reasonable satisfaction of the Independent Directors within a reasonable time after the request, the Independent Directors shall be entitled to refuse to register the transfer in question. In a case where no transfer is in question or if the information or evidence discloses that a Transfer Notice ought to be given in respect of any Shares, the Independent Directors shall be entitled within a reasonable time to require, by notice in writing given to the registered holder, that a Transfer Notice be given in respect of the Shares concerned. For the avoidance of doubt, a director who is, or is nominated by, the Vendor or the holder of the shares concerned shall not be entitled to vote at any board meeting at which a resolution considering the registration of a transfer or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned is proposed. If the Independent Directors require that a Transfer Notice be given and it is not duly given within one month from the date of its being required, the Transfer Notice shall be deemed to have been given at the expiration of the month and the provisions of this Article shall take effect accordingly.
- (O) Subject to paragraph (N) of this Article, the directors shall register any transfer made pursuant to or permitted by this Article but shall refuse to register any other transfer.
- (P) **TRANSFER OF SHARES AND PRE-EMPTION ON TRANSFER IN RELATION TO SECURITY HELD BY A SECURED INSTITUTION**

(1) Notwithstanding anything to the contrary contained in these articles, the directors shall not decline to register any transfer of shares, nor may they suspend registration of any transfer of shares where such transfer:

- (i) is to any bank or institution or other person to which such shares have been charged or mortgaged, or to any nominee of such a bank or institution or other person ("**Secured Institution**"); or
- (ii) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
- (iii) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under its security over the shares,

and the directors shall register any such transfer of shares forthwith following receipt.

(2) Notwithstanding anything to the contrary contained in these articles, no transferor or proposed transferor of any shares in the Company to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to offer the shares which are or are to be the subject of any transfer to the shareholders for the time being of the

Company or any of them, and no such shareholder shall have any right under these articles or under any agreement or otherwise to require those shares to be offered to or transferred to it whether for consideration or not.

(3) Notwithstanding anything to the contrary contained in these articles, the Company shall have no lien over shares in it which are charged or mortgaged in favour of a Secured Institution.

## **9 PROHIBITED TRANSFERS**

Notwithstanding any other provision of these Articles, no transfer of any Share will be made or registered if it is to any person unless the relevant provisions of Article 8 or Article 10 (as applicable) have been complied with in full and in where such person is not already a registered Member who has not executed a Deed of Adherence to, and in the manner required by, a Shareholders' Agreement.

## **10 DRAG ALONG OPTION**

10.1 If Members constituting an Investor Majority (together the "**Dragging Shareholders**") wish to transfer all their Shares ("**Investor Shares**") to any party (a "**Buyer**"), the Dragging Shareholders will have the option ("**Drag Along Option**") to require any or all of the other holders of Shares to transfer all their Shares ("**Dragged Shares**") with full title guarantee to the Buyer or as the Buyer will direct in accordance with this Article 10.1 ("**Drag Exit**").

10.2 The Dragging Shareholders may exercise the Drag Along Option at any time before the registration of the transfer of the Shares in the Company held by the Dragging Shareholders by giving notice to that effect ("**Drag Along Notice**") to all other Members ("**Called Shareholders**"). A copy of the Drag Along Notice will, for information only, also be given to the Company at its registered office (but any failure or delay in giving such copy will in no way prejudice the operation of this Article 10.3).

10.3 A Drag Along Notice will:

- (A) specify that the Called Shareholders are required to transfer all their Dragged Shares in the Company;
- (B) set out the material terms and conditions of the Drag Exit including:
- (C) the Drag Sale Value;
- (D) the consideration for the Dragged Shares;
- (E) the proposed date of transfer (if known); and
- (F) the identity of the Buyer; and
- (G) be accompanied by copies of all documents required to be executed by the Called Shareholders to give effect to the Drag Exit, as the case may be.

10.4 Without prejudice to Article **Error! Reference source not found.** above, the Drag Exit will be on the same terms and conditions (including, for the avoidance of doubt, as to participating in any escrow arrangements on the same terms as the Dragging Shareholders pro-rata to its participation in such Drag Exit) as has been agreed between the Dragging Shareholders and the proposed [Third Party] Buyer provided that the Called Shareholders will only be obliged to give or be liable for the same warranties as are given by the Dragging Shareholders and the liability of each Called Shareholder will be capped at the maximum amount they will receive pursuant to the Drag Exit.

- 10.5 The notice provisions of these Articles will apply to the service of a Drag Along Notice as if it were a notice to be given under these Articles by the Company.
- 10.6 Each Called Shareholder, upon receipt of the Drag Along Notice, will be obliged to:
- (A) sell all of their Dragged Shares, and participate in the Drag Exit;
  - (B) in respect of any Shares owned, vote their Shares in favour of the Drag Exit at any meeting of Members called to vote on or approve the Drag Exit and/or consent in writing to the Drag Exit;
  - (C) procure that any directors designated by it vote in favour of the Drag Exit; and
  - (D) bear their Pro Rata Portion of any costs of a Drag Exit.
- 10.7 If following the 90th day from the date of the Drag Along Notice the Dragging Shareholders have not completed the proposed transaction, the Drag Along Notice will cease to be of effect and each Called Shareholder will be irrevocably released from such obligations under the Drag Along Notice and the rights of the Members holding Shares pursuant to this Article 10.9 will be reinstated.
- 10.8 A Drag Along Notice may be revoked by the Dragging Shareholders at any time prior to completion of the sale of the Dragged Shares and any such revocation notice will be served in the manner prescribed for a Drag Along Notice in Article 10.2.
- 10.9 Completion of the sale of the Dragged Shares will take place on the same date as the date of actual completion of the sale of the Investor Shares unless all of the Called Shareholders and the Dragging Shareholders agree otherwise.
- 10.10 Each Called Shareholder will on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Dragging Shareholders severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the Dragged Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Dragged Shares pursuant to this Article 10.12.
- 10.11 Any rights of pre-emption and other restrictions on transfer contained in these Articles will not apply on any sale and transfer of Shares by the Dragging Shareholders, the Called Shareholders or any other Member to the [Third Party] Buyer named in a Drag Along Notice.
- 10.12 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Shares pursuant to the exercise of pre-existing option to acquire Shares in the Company (including pursuant to a Share Option Scheme) or otherwise, a Drag Along Notice, on the same terms as the previous Drag Along Notice, will be deemed to have been served upon such Member immediately upon such acquisition and such person will thereupon be bound to sell and transfer all such Shares acquired by him to the [Third Party] Buyer or as the [Third Party] Buyer may direct and the provisions of this Article 10.14 will apply mutatis mutandis to such Member save that completion of the sale of such Shares will take place immediately upon the Drag Along Notice being deemed served on such Member or, if later, upon the date of completion under the previous Drag Along Notice.

## **11 GENERAL MEETINGS**

- 11.1 The powers of consolidation, division, sub-division and cancellation of the share capital of the Company conferred by the Act shall be exercised by special resolution.
- 11.2 No business shall be transacted at any general meeting unless the requisite quorum is present. Members holding at least 70% of the Shares present in person or by proxy (or, in the case of a corporate Member, by representative) shall be a quorum for all purposes. Where all the Members have waived in writing the quorum requirement, the waiver shall be effective for the meeting or particular business, or otherwise, as specified in the waiver.

11.3 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day (or, if that day is a holiday, to the next following working day) in the next week but one and at the same time and place or to such other date, time and place as the directors determine (not being more than 30 days nor less than 10 days after the date appointed for the general meeting unless agreed by the holders of not less than nine tenths in nominal value of the Shares entitled to vote at the meeting). If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then the meeting shall be terminated.

11.4 Where a meeting is adjourned under Article 11.3 for 10 days or more, not less than 7 days' notice of the adjourned meeting shall be given as in the case of an original meeting.

## **12 DIRECTORS**

12.1 The directors shall unless otherwise determined by a special resolution of the Company be not more than seven in number.

12.2 The Chairman shall not have a casting vote at any meeting of the directors or the Members.

12.3 A director does not require a shareholding qualification but the Chairman must hold one or more Voting Shares.

## **13 POWERS AND DUTIES OF DIRECTORS**

13.1 Subject to the provisions of the Act, a director may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a director. A director may vote in respect of the contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company. He may also be counted in the quorum at any meeting at which the matter is considered.

## **14 ALTERNATE DIRECTORS**

14.1 A director (other than an alternate director) may appoint any person to be an alternate director and may remove from office an alternate director appointed by him. When an alternate director is also a director or acts as an alternate director for more than one director, he shall have one vote for every director represented by him (in addition to his own vote if he is himself a director). When acting, he shall be considered as two directors for the purpose of making a quorum if the quorum exceeds two.

## **15 DISQUALIFICATION OF DIRECTORS**

15.1 Regulation 18 of the Model Articles shall be amended by substituting the following for paragraph (d):-

*(d) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a director;*

and by inserting the following paragraph (g):-

*(g) he is otherwise duly removed from office.*

15.2 A director shall not be required to vacate his office or be ineligible for re-election, and no person shall be ineligible for appointment as a director, by reason only of his attaining or having attained any particular age.

## **16 PROCEEDINGS OF DIRECTORS**

16.1 Regulation 9(3) of the Model Articles shall be amended by inserting the following sentence after "Notice of a directors' meeting must be given to each director":-

*'including directors who are absent from the United Kingdom and have given the Company their addresses outside the United Kingdom'*

and inserting the following sentence after "but need not be in writing":-

*'Directors who are absent from the United Kingdom shall be entitled to receive 14 days' notice of every meeting.'*

- 16.2 Questions arising at any meeting of the directors or of any committee shall be decided by a majority of votes of the directors present.
- 16.3 The quorum necessary for the transaction of business at any meeting of the directors or of any committee is two directors.
- 16.4 Notice of any meeting of the directors may be given by telephone. The contemporaneous linking together by telephone of a number of the directors being not less than the quorum shall be deemed to constitute a meeting of the directors wherever in the world they are, so long as:-
- (A) the Chairman or his alternate director shall be present at the meeting in order to constitute a quorum;
  - (B) at the commencement of the meeting each director acknowledges the presence thereof to all the other directors taking part;
  - (C) each of the directors taking part are able hear each other of them subject as hereinafter mentioned throughout the meeting;
  - (D) the directors present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validly notwithstanding that the telephone of any director is accidentally disconnecting during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected; and
  - (E) a minute of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by both the chairman and the company secretary.

## **17 CAPITALISATION OF PROFITS**

- 17.1 The words 'special resolution' shall be substituted for the words 'ordinary resolution' in regulation 36 of the Model Articles.

## **18 NOTICES**

- 18.1 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including facsimile and electronic mail. A notice communicated by immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed.

## **19 INDEMNITY**

- 19.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other officer of the Company is entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in the execution of his duties or in the exercise of his powers or otherwise in connection with his office, including any liability incurred by him (a) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part; or (b) in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company. The Company may purchase and maintain for any person to whom this Article applies insurance against any liability in respect of which he is entitled to be indemnified.