

Company Number: SC154414

**The Companies Acts 1985 and 2006**

**Private Company Limited by Shares**

**Articles of Association  
of  
Highland Network Limited (the "Company")**

**1 Interpretation**

1.1 In these Articles, unless the context otherwise requires:

**"Accountant"** has the meaning given in article 2.1.2;

**"Act"** means the Companies Act 2006;

**"Agent"** has the meaning given in the SLF Loan Agreement;

**"appointor"** has the meaning given in article 13.1;

**"Articles"** means the Company's articles of association from time to time in force;

**"business day"** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in Inverness are generally open for business;

**"certified value"** has the meaning given in article 2.1.2;

**"Conflict"** has the meaning given in article 9.1;

**"eligible director"** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**"Event of Default"** has the meaning given in the SLF Loan Agreement;

**"further offer"** has the meaning given in article 2.1.6;

**"further offer notice"** has the meaning given in article 2.1.6;

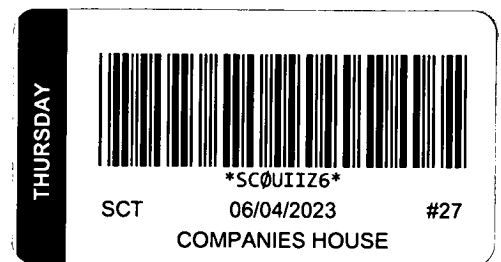
**"initial offer"** has the meaning given in article 2.1.3;

**"Interested Director"** has the meaning given in article 9.1;

**"Maven"** means Maven Capital Partners UK LLP, a limited liability partnership registered in England (company number OC339387);

**"members"** has the meaning given in article 2.1.3;

**"Model Articles"** means 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;



**“observer”** means such person appointed in accordance with article 16;

**“offer notice”** has the meaning given in article 2.1.4;

**“Original Member”** means David John Siegel or David Milne Siegel;

**“Permitted Transferee”** means the spouse or any lineal descendant of an Original Member;

**“relevant loss”** has the meaning given in article 22.2.1;

**“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)), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor;

**“seller”** has the meaning given in article 2.1.1;

**“SLF”** means Scottish Loan Fund LP, a Scottish limited partnership (registered number SL8545) whose principle place of business is at First Floor, Kintyre House, 205 West George Street, Glasgow, G2 2LW, acting by its general partner, SLF GP Limited, a company registered in Scotland (company number SC391744) whose registered office is at Kintyre House, 205 West George Street, Glasgow, Strathclyde, G2 2LW;

**“SLF Director”** has the meaning given in article 12.2;

**“SLF Loan”** means the secured mezzanine loan made by SLF to the Company pursuant to the SLF Loan Agreement;

**“SLF Loan Agreement”** means the mezzanine loan agreement entered into among: (i) the Company as borrower; (ii) Maven as manager, agent and security trustee of SLF; and (iii) SLF as lender, dated on around the date of adoption of these Articles;

**“Subscription Rights”** has the meaning set out in the Warrant Instrument;

**“transfer shares”** has the meaning given in article 2.1.1;

**“transfer notice”** has the meaning given in article 2.1.1;

**“Warrant holder”** means a holder of Warrants;

**“Warrants”** means the warrants issued pursuant to the Warrant Instrument;

**“Warrant Shares”** has the meaning set out in the Warrant Instrument;

**“Warrant Instrument”** means the warrant instrument created by the Company and dated on or around the date of these Articles.

- 1.2 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, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **“article”** is a reference to the relevant article of these Articles unless expressly provided otherwise.

- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 8, 9(1), 11 (2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 26(5), 44(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
- 1.9.1 the insertion of the words “at the relevant time” at the end of article 7(2)(a); and
  - 1.9.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors)” before the words “properly incur”.
- 1.11 Article 27(3) of the Model Articles shall be amended by the insertion of the words “, subject to article 11,” after the word “But”.
- 1.12 Article 29 of the Model Articles shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2),” after the words “the transmittee’s name”.
- 1.13 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words “either” and “or as the directors may otherwise decide”.

## **2 Transfer of Shares**

- 2.1 The shares in the capital of the Company shall only be transferred in accordance with the provisions of this article:
- 2.1.1 a member wishing to transfer, or a transmittee becoming entitled to, shares (the “**transfer shares**” and the member or transmittee being referred to as a “**seller**”) shall give notice in writing (a “**transfer notice**”) to the directors specifying the details of the proposed transfer including, the number of shares to be transferred, the price per share of the shares to be transferred and the identity (if any) of the proposed transferee;
  - 2.1.2 if the directors do not agree to the price per share proposed, the seller and the directors shall endeavour to agree a price per share and if they fail to agree a price per share within 21 days of the transfer notice being served by the seller, a chartered accountant (the “**Accountant**”) appointed by agreement between the seller and the directors, failing such agreement, appointed by the President of the Institute of Chartered Accountants of Scotland shall determine the certified value (the “**certified value**”) of the transfer shares in accordance with articles 2.1.9 and 2.1.10 and give a notice in writing specifying such certified value to the seller and

the directors, at which time the seller shall be entitled to revoke the transfer notice by notice in writing given to the directors within seven business days of receipt of the notice specifying the certified value;

- 2.1.3 the transfer shares shall first be offered to the members of the Company other than the seller (the “members”) in proportion to their existing holdings of shares (the “initial offer”) and at the price per share agreed by the seller and the directors or at the certified value;
- 2.1.4 the initial offer shall be made by written notice (the “offer notice”) from the directors specifying the number and price of the transfer shares and shall invite each member to state in writing within a period not being less than fifteen business days whether they are willing to accept any transfer shares and if so the maximum number of transfer shares they are willing to accept, which shall not be more than that offered to them;
- 2.1.5 at the expiration of the time specified for acceptance in the offer notice the directors shall allocate the transfer shares to or amongst the members who shall have notified to the directors their willingness to take any of the transfer shares but so that no member shall be obliged to take more than the maximum number of shares notified by him under article 2.1.4;
- 2.1.6 if any transfer shares remain unallocated after the initial offer, the directors shall make a further offer (“further offer”) in writing (“further offer notice”) on the same terms as the initial offer to members who shall have expressed their willingness to purchase the transfer shares and if there is more than one member to whom this article applies then the further offer shall be pro rata to their existing holdings of shares;
- 2.1.7 at the expiration of the time specified for acceptance in the further offer notice, the directors shall allocate the transfer shares to or amongst the members who shall have notified to the directors their willingness to take any of the transfer shares but so that no member shall be obliged to take more than the maximum number of shares notified by him under article 2.1.6;
- 2.1.8 if any transfer shares remain unallocated after the further offer, the directors shall be entitled to dispose of these transfer shares to such persons on such terms and in such manner as they think fit save that these transfer shares shall not be disposed of on terms which are more favourable to their transferees than the terms on which they were offered to the members;
- 2.1.9 in determining the certified value the Accountant shall rely on the following assumptions:
  - 2.1.9.1 the transfer shares shall be valued as between a willing seller and a willing buyer, with a discount in respect of a minority interest or premium in respect of a majority interest being applied;
  - 2.1.9.2 the shares are sold free of all restrictions, liens, charges and other encumbrances; and
  - 2.1.9.3 the sale takes place on the date the Accountant was requested to determine the certified value; and
- 2.1.10 the Accountant’s decision on certified value shall, save in the case of manifest error, be final and binding on the seller and the directors.

- 2.2 If the Company finds a purchaser or purchasers for all or any of the transfer shares under the terms of article 2.1 the seller shall be bound upon receipt of the price payable for such shares to transfer the transfer shares (or such of the same for which the Company shall

have found a purchaser or purchasers) to such person or persons. If the seller defaults in transferring the transfer shares the Company shall if so required by the person or persons willing to purchase such transfer shares receive and give a good discharge for the purchase money on behalf of the seller and shall authorise an officer of the Company (or such other person as the Company may at its discretion consider appropriate) to execute transfers of the transfer shares in favour of the purchaser or purchasers and shall enter the names of the purchaser or purchasers in the Register of Members as the holder of such of the transfer shares as shall have been transferred to them.

**2.3 Transfer of shares, pre-emption on transfer and lien over shares in relation to security held by a Secured Institution**

Notwithstanding anything contained in these articles, the directors shall not decline to register any transfer of shares, whether or not fully paid, nor may they suspend registration thereof where such transfer:

- 2.3.1 is to any bank, group of banks, lender, institution or other person to which such shares have been charged, mortgaged or pledged by way of security (or any other security interest in such shares has been created) or to any nominee, agent or trustee of such bank, lender, institution or other person (a "Secured Institution"); or
- 2.3.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
- 2.3.3 is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under its security over the shares; or
- 2.3.4 is executed by a receiver or manager or similar officer appointed by or on behalf of any Secured Institution or its nominee under any relevant security interest,

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

A certificate by any officer of a Secured Institution that the shares were so charged, mortgaged or pledged and the transfer was or will be so executed shall be conclusive evidence of such facts

**2.4 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 (in either such case) and no Secured Institution or its nominee shall be required to:**

- 2.4.1 offer the shares which are or are to be the subject of any transfer as aforesaid 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 howsoever to require such shares to be offered to or transferred to them whether for valuable consideration or otherwise; and
- 2.4.2 provide any prior written notice to the Company or any of the shareholders.

**2.5 Notwithstanding anything to the contrary contained in these articles, the Company shall have no present or future lien in any shares, dividend or moneys payable in respect of shares in it which are charged, pledged or mortgaged in favour of a Secured Institution (as defined in Article 2.3 above) and any lien conferred pursuant to those articles shall not apply in respect of any such share, dividend or moneys payable**

**3 Permitted Transfers**

**3.1** An Original Member may at any time transfer any of his shares in the Company to a Permitted Transferee without being required to serve a transfer notice or comply with the pre-emption procedure set out in article 2. The provisions of articles 3.2 to 3.8 inclusive shall apply to the transfer of shares to Permitted Transferees.

**3.2** An Original Member may transfer any of his shares to a Permitted Transferee.

- 3.3 If a Permitted Transfer is made to the spouse of an Original Member, the Permitted Transferee shall within 14 days of ceasing to cohabit with the Original Member as man and wife (whether by reason of divorce or otherwise) be bound to execute and deliver to the Company a transfer of the shares (without any price or other restriction) held by them back to the Original Member or, if so directed by the Original Member, to any Permitted Transferee of the Original Member.
- 3.4 On the death of a Permitted Transferee (other than a joint holder), their personal representatives shall be obliged to execute and deliver to the Company a transfer of the shares held by the Permitted Transferee (without any price or other restriction) within seven days after the date of Confirmation. The transfer shall be to the Original Member (if still living and not then an undischarged bankrupt, failing which to the personal representatives or trustee in bankruptcy (as the case may be) of the Original Member) or, if so directed by the Original Member, to any Permitted Transferee of the Original Member.
- 3.5 On the bankruptcy of a Permitted Transferee (other than a joint holder), their trustee in bankruptcy shall be obliged to execute and deliver to the Company a transfer of the shares held by the Permitted Transferee (without any price or other restriction) within seven days after the date of the making of the order of sequestration. The transfer shall be to the Original Member (if still living and not then an undischarged bankrupt, failing which to the personal representatives or trustee in bankruptcy (as the case may be) of the Original Member) or, if so directed by the Original Member, to any Permitted Transferee of the Original Member.
- 3.6 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Member for a reason other than as set out at articles 3.3 to 3.5, the Permitted Transferee shall, within 14 days of ceasing to be a Permitted Transferee, execute and deliver to the Company a transfer of the shares held by them to the Original Member (or, to any other Permitted Transferee of the Original Member) for no consideration.
- 3.7 On the death of the Original Member, the Permitted Transferee shall, unless the Permitted Transferee is the personal representative of the Original Member or beneficiary of the Original Member in terms of the Original Member's Will, within seven days after the date of Confirmation, execute and deliver to the Original Member's personal representatives a transfer of the shares held by the Permitted Transferee (without any price or other restriction).
- 3.8 Where the Original Member (other than by way of death) is deemed to have served a transfer notice, the Permitted Transferee shall be deemed to have served a transfer notice on the same date and shall execute and deliver to the Company a transfer to such person as the Permitted Transferee may be directed to transfer the shares held by the Permitted Transferee by the Company (without any price or other restriction).

#### **4 Unanimous decisions**

A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Where there is only one director that director shall take decisions in the form of resolutions in writing.

#### **5 Calling a directors' meeting**

Any director may call a directors' meeting by giving not less than two business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company secretary (if any) to give such notice.

## **6 Quorum for directors' meetings**

Subject to article 6.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.

For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

## **7 Casting vote**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

## **8 Transactions or other arrangements with the Company**

8.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 8.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 8.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- 8.1.3 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 contract or proposed contract in which he is interested;
- 8.1.4 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;
- 8.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 8.1.6 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 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 Act.

## **9 Directors' conflicts of interest**

- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").
- 9.2 Any authorisation under this article 9 will be effective only if:
  - 9.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

- 9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- 9.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 9.3 Any authorisation of a Conflict under this article 9 may (whether at the time of giving the authorisation or subsequently):
  - 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 9.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 9.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict;
  - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 9.3.5 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
  - 9.3.6 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.
- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.5 The directors 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.
- 9.6 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 directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 10 Records of decisions to be kept**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 11 Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum.
- 12 Appointment of directors**
  - 12.1 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.

- 12.2 For so long as any sums are due from the Company to SLF pursuant to the SLF Loan Agreement and on the occurrence or likelihood of an Event of Default, the Agent shall be entitled by serving written notice on the Company to appoint one person as a non-executive director of the Company (each such person to be the “SLF Director”) and remove from office such SLF Director appointed and to appoint another SLF Director in his place, subject at all times to the provisions of Clause 14.1 of the SLF Loan Agreement. Any notice served on the Company under this article 12.2 shall take effect immediately upon receipt by the Company. Any SLF Director appointed under this article 12.2 shall be remunerated and reimbursed by the Company for all travel costs and expenses reasonably and properly incurred in relation to such appointment and carrying out of duties in connection therewith.

### **13 Appointment and removal of alternate directors**

- 13.1 Any director (“appointor”) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

13.1.1 exercise that director’s powers; and

13.1.2 carry out that director’s responsibilities,

- 13.2 in relation to the taking of decisions by the directors, in the absence of the alternate’s appointor.

- 13.3 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

- 13.4 The notice must:

13.4.1 identify the proposed alternate; and

13.4.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

### **14 Rights and responsibilities of alternate directors**

- 14.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate’s appointor.

- 14.2 Except as the Articles specify otherwise, alternate directors:

14.2.1 are deemed for all purposes to be directors;

14.2.2 are liable for their own acts and omissions;

14.2.3 are subject to the same restrictions as their appointors; and

14.2.4 are not deemed to be agents of or for their appointors,

- 14.3 and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

- 14.4 A person who is an alternate director but not a director:

14.4.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person’s appointor is not participating);

14.4.2 may participate in a unanimous decision of the directors (but only if his appointor is

an eligible director in relation to that decision, but does not participate); and

14.4.3 shall not be counted as more than one director for the purposes of articles 14.4.1 and 14.4.2.

14.5 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

14.6 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

## **15 Termination of alternate directorship**

15.1 An alternate director's appointment as an alternate terminates:

15.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

15.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

15.1.3 on the death of the alternate's appointor; or

15.1.4 when the alternate's appointor's appointment as a director terminates.

## **16 Observers**

In accordance with Clause 14.2 of the SLF Loan Agreement and only for so long as the SLF Loan is outstanding, Maven shall be entitled from time to time to appoint a person to attend all meetings of the directors and all meetings of the shareholders as an observer and any person so appointed shall be given (at the same time as the directors) notice of all meetings of the directors and all agendas, minutes and other papers pertaining to such meetings and to speak and place items on the agenda for discussion but not to vote. Such an observer shall be entitled to the reimbursement by the Company of all travel costs and expenses reasonably incurred in relation to such appointment and carrying out of duties in connection therewith.

## **17 Secretary**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

## **18 Poll votes**

18.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

18.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a vote on a show of hands in respect of that resolution declared before the demand was made" as a new paragraph at the end of that article.

## **19 Proxies**

19.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered

to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

- 19.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

## **20 Means of communication to be used**

- 20.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

20.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, 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);

20.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

20.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

20.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

- 20.2 For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 20.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## **21 Indemnity**

- 21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

21.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

21.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

21.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

21.1.2 including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment 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, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or

any associated company's) affairs; and

- 21.1.3 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 21.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 21.3 In this article companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **22 Insurance**

- 22.1 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.
- 22.2 In this article:
  - 22.2.1 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
  - 22.2.2 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **23 Warrants**

- 23.1 Upon a valid exercise of Subscription Rights by a Warrant holder, pursuant to the terms of the Warrant Instrument, the Company shall:
  - 23.1.1 allot and issue to the Warrant holder (or to its nominees or trustee) the Warrant Shares;
  - 23.1.2 enter the Warrant holder (or its nominee's or trustee's name, as appropriate) in the register of members of the Company as the holder of the Warrant Shares; and
  - 23.1.3 send to the person identified by the Warrant holder pursuant to article 23.1.2, free of charge, share certificate(s) in respect of the Warrant Shares.
- 23.2 To the extent that there is a conflict between the provisions of article 23.1 and any of the other provisions of the Articles and/or Model Articles, the provisions of article 23.1 shall prevail.
- 23.3 The provisions of the Articles, Model Articles and, in accordance with section 567(1) of the Act, sections 561 and 562 of the Act are expressly dis-applied to the extent they require that the Warrant Shares should first be offered to any holder of shares in the Company ahead of their issue to the Warrant holder pursuant to the Warrant Instrument.