

Company Number: SC160955

**THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS**

of

3E DEVELOPMENT LIMITED (the "Company")

13 December 2016 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that:

Resolutions 1 and 2 below are passed as special resolutions (together "**Special Resolutions**")

SPECIAL RESOLUTIONS

1. That the regulations contained in the printed document annexed hereto be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.
2. That each of the issued 768,520 A Ordinary Shares and 414,432 B Ordinary Shares of £0.10 in the capital of the Company be re-classified as 1,182,952 of Ordinary Shares of £0.10 each, such shares having the rights and restrictions set out in the Company's newly adopted Articles of Association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Special Resolutions.

Signed by the Sole Member of the Company

Richard Brown

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Richard Brown

13 Dec 2016

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Date

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NOTES

1. You can choose to agree to the all of the Special Resolutions or none of them but you cannot agree to only some of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

Post: returning the signed copy by post to Laurence Evans at Hewitsons LLP, Shakespeare House, 42 Newmarket Road, Cambridge, CB5 8EP.

E-mail: by attaching a scanned copy of the signed document to an e-mail and sending it to laurenceevans@hewitsons.com

If you do not agree to all of the resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the resolutions, you may not revoke your agreement.

3. Unless, by 28 days after the Circulation Date, sufficient agreement has been received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date.

Company Number: SC160955

**THE COMPANIES ACT 2006
A PRIVATE COMPANY LIMITED BY SHARES**

ARTICLES OF ASSOCIATION

- of -

3E DEVELOPMENT LIMITED

Incorporated on 11 October 1995

(Adopted by Written Resolution passed on 13 December 2016)

1 INTERPRETATION

1.1 In these Articles:

"**the Act**" means the Companies Act 2006.

"**Articles**" means the Company's articles of association for the time being in force.

"**Board**" means the board of directors of the Company and "**Director**" means any of them.

"**Founder**" means Richard Brown and Keith Grimsey.

"**Shareholder Majority**" means the holder(s) of at least 75% in nominal value of all issued Shares.

"**Shares**" means Ordinary Shares of £0.10 each in the capital of the Company and "**Shareholder**" shall mean any registered holder of any Share.

1.2 In these Articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

2 MODEL ARTICLES

2.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "Model Articles") in force as at the date of adoption of these Articles shall apply to the Company save in so far as they are excluded or modified by or are inconsistent with these Articles and such Model Articles (save as so excluded or modified or inconsistent) and the articles set out below shall be the articles of association of the Company.

2.2 Model Articles 11(2) and (3), 14(1) – (4), 52 and 53 do not apply to the Company.

3 OBJECTS AND LIMITED LIABILITY

3.1 The objects of the Company are unlimited.

- 3.2 The liability of the holders of any Shares shall be limited to the amount (if any) unpaid on the Shares held by them.

4 SHARES

- 4.1 The liability of the holders of any Shares shall be limited to the amount (if any) unpaid on the Shares held by them.

- 4.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act does not apply to an allotment of equity securities made by the Company.

- 4.3 Save to the extent authorised by the prior written consent of a Shareholder Majority, all shares shall, before they are issued, be offered to the existing holders of Shares in proportion, as nearly as may be practicable, to the number of existing Shares held by them respectively. Such offer shall be made by notice in writing to each such holder specifying the number of Shares offered to him and the subscription price therefor and inviting him to state in writing within such period as the Board may prescribe (being not less than fourteen days after the date of the notice) whether he wishes to accept any, and if so what number, of Shares offered to him and whether he wishes to subscribe for Shares in excess of his entitlement and, if so, what maximum number. If within such period, such holders have expressed their willingness to accept all or any of the Shares offered to them, such Shares shall be so issued to them accordingly.

Any Shares not taken up pursuant to such offer as aforesaid and any Share released from the provisions of this Article with any such written consent shall be under the control of the Board who may allot, grant options over or otherwise dispose of the same to such persons on such terms and in such manner as it thinks fit provided that in the case of any Shares not disposed of pursuant to such offer as aforesaid, such Shares shall not be disposed of on terms more favourable to the subscribers therefor than the terms on which they were offered to the Company's existing Shareholders.

5 TRANSFER OF SHARES

- 5.1 No Shares may be transferred, and the Directors shall not register any transfer of any Shares, unless made pursuant to Articles 6 to 10 inclusive, or unless approved by the prior written consent of a Shareholder Majority.

- 5.2 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

- 5.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with Article 5.1, the Directors shall, on becoming aware of the same, notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 14 days of delivery of such written notice, then the relevant Shares shall cease to confer on the holder of them any rights:

5.3.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;

5.3.2 to receive dividends or other distributions otherwise attaching to those Shares.

- 5.4 The Directors may reinstate the rights referred to in Article 5.3 at any time and, in any event, such rights shall be reinstated in respect of any Shares which shall be transferred to any person in accordance with these Articles.

6 PRE-EMPTION RIGHTS ON TRANSFERS

The right to transfer Shares in the Company or any interest therein (including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such shares or the renunciation or assignment of any right to receive or subscribe for such shares) shall be subject to the following restrictions:

- 6.1 No Shareholder (a "**Transferring Shareholder**") wishing to transfer any Shares whether by way of sale or otherwise, shall be entitled without first causing the same to be, and the Directors shall not enter the name of any transferee in the Register of Members unless the same has been, offered to the Company and the other Shareholders in accordance with the provisions of this Article 6.
- 6.2 In order to ascertain whether the Company or any other Shareholders are willing to purchase the Shares the Transferring Shareholder shall give a notice in writing in respect of the Shares held by such Shareholder (a "**Transfer Notice**") to the Company that he wishes to sell and specifying that he is prepared to sell at the Sale Price (as determined in accordance with Article 6.3 below). Every Transfer Notice shall specify the denoting numbers (if any) and class of shares (the "**Sale Shares**") which the Transferring Shareholder desires to sell and (if applicable) the name of the person whom it is proposed that the Sale Shares be transferred (the "**Proposed Transferee**") and the price per share offered by the Proposed Transferee (the "**Offer Price**"), and shall constitute the Company the agent of the Transferring Shareholder for the sale of such shares to the Company and/or the other Shareholders and/or third parties at the Sale Price. A Transfer Notice may contain a provision that unless all shares comprised therein are sold by or to the Company pursuant to this Article none shall be so sold (a "**Total Sale Condition**") and any such provision shall be binding on the Company. A Transfer Notice shall not be revocable except with the consent of the Directors.
- 6.3 The sale price of the Sale Shares (the "**Sale Price**") shall be the Offer Price or if none was specified in the Transfer Notice shall be determined by agreement between the Transferring Shareholder and the Company. In default of agreement thereon within 30 days the Sale Price of the Sale Shares shall be the fair value thereof as certified by the accountants of the Company (or a firm of independent accountants selected by the Directors) who shall act as an experts and not as arbitrators and whose decision shall be final and binding upon the parties and whose costs in so certifying shall be borne as they shall determine. In determining the fair value no discount shall be applied by virtue of the Sale Shares representing a minority interest.
- 6.4 Upon the Sale Price being determined the Transferring Shareholder may within fourteen days of receipt of notice of determination of the Sale Price, withdraw his Transfer Notice. If such Transfer Notice is not withdrawn then at the date the Sale Price is agreed or at the expiry of the said 14 day period (the "**Offer Date**") the Company shall have 14 days from the Offer Date to confirm in writing whether it wishes to repurchase all or part of the Sale Shares and, if so, the number thereof (the "**Repurchase Shares**") and to confirm that (subject only to receipt of Shareholders' approval) it can lawfully repurchase the Sale Shares in accordance with the Act.
- 6.5 If the Company elects to purchase the Repurchase Shares as set out in Article 6.4 above then completion of the sale and purchase of such shares shall be pursuant to a contract for sale being entered into between the Company and the Transferring Shareholder (which the Company may sign as agent for the Transferring Shareholder as set out in Article 6.2 above) in a form reasonably required by the Directors, which contract shall include (but shall not be limited to) the following terms and conditions:

6.5.1 the Sale Price;

- 6.5.2 a warranty from the Transferring Shareholder that the Repurchase Shares are transferred with full title guarantee and are free from any lien, charge or other encumbrance; and
 - 6.5.3 the completion date which shall be no later than 5 days after the contract is signed on behalf of the Company.
- 6.6 In addition to the provisions set out in Article 6.5.1 to 6.5.3 above where the Sale Price is to be paid out of the capital of the Company the contract for the Repurchase Shares shall be conditional upon none of either:
- 6.6.1 the Company's creditors; or
 - 6.6.2 any Shareholder of the Company other than the Transferring Shareholder or any Shareholder who consented to or voted in favour of the resolution;
- applying to the Court for cancellation of the resolution of the Shareholders approving the repurchase within 35 days of the passing thereof (a "**Court Application**").
- 6.7 The provisions of Article 6.8 below shall apply where:
- 6.7.1 the Company has not confirmed its intention and ability to repurchase all or part of the Sale Shares within 14 days of the Offer Date; or
 - 6.7.2 the Company wishes to purchase part only of the Sale Shares; or
 - 6.7.3 the Company does not obtain the approval of its Shareholders to acquire the Repurchase Shares within 35 days of the Offer Date; or
 - 6.7.4 where the payment for the Repurchase Shares is to be made out of capital and a Court Application is made.
- 6.8 Where any of the circumstances set out in Article 6.7 above applies then the Company shall offer the Sale Shares (or the balance of any Sale Shares not being repurchased by the Company) at the Sale Price to all the Shareholders (other than the Transferring Shareholder or any other Shareholder who has at such date served or is deemed to have served a Transfer Notice in respect of his shares) as follows:
- 6.8.1 to each Shareholder in proportion as nearly as may be to the nominal amount of their existing holdings of shares in the Company (the "**Proportionate Entitlement**");
 - 6.8.2 it shall be open to each such Shareholder to specify that he is willing to purchase any shares in excess of his Proportionate Entitlement ("**Excess Shares**");
 - 6.8.3 such offer shall to the extent that the same is not accepted in whole or in part within 30 days of the Offer Date be deemed to be declined.
- 6.9 After such 30 days have expired the Directors shall allocate the Sale Shares in the following manner:
- 6.9.1 to each Shareholder there shall be allocated his Proportionate Entitlement or such lesser number of Sale Shares for which he may have applied;
 - 6.9.2 if the number of any Sale Shares which remain unallocated is less than the number of shares for which excess applications have been made, the unallocated shares shall be

allocated (as nearly as may be) in the proportions which the applications for Excess Shares bear to one another;

- 6.9.3 if the number of any Sale Shares which remains unallocated equals or is greater than the number of shares for which excess applications have been made, each Shareholder who has applied for Excess Shares shall be allocated the number of Excess Shares for which he applied.
- 6.10 The Directors shall offer at the Sale Price and on the terms as to completion as are specified in Article 6.11 below the remaining balance of the Sale Shares to such third parties as they may think fit and such offer if not accepted within 45 days of the Offer Date shall be deemed to have been declined.
- 6.11 If the Company shall within 45 days after the Offer Date find purchasing Shareholders or third parties ("**Purchasers**") in respect of all or (except where the Transfer Notice contains a Total Sale Condition) any of the Sale Shares it shall give notice thereof to the Transferring Shareholder which notice shall specify the price for the Sale Shares being the Sale Price and the Transferring Shareholder and Purchasers shall be bound to complete the sale and purchase within 7 days of the end of such period of 45 days.
- 6.12 If the Company shall not within the period of 45 days of the Offer Date find Purchasers for all of the Sale Shares or if through no default of the Transferring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified Article 6.11 above the Transferring Shareholder shall be at liberty at any time within 90 days after the expiry of the said 45 days to transfer:
- 6.12.1 such of the Sale Shares for which the Company did not find purchasing Shareholders and/or third parties; or
- 6.12.2 (where the Transfer Notice contained a Total Sale Condition), all but not some of the Sale Shares; or
- 6.12.3 such Sale Shares in respect of which the sale was not completed as aforesaid;
- to any person he may wish, subject to the prior approval of the Directors, provided that such sale is completed at the Sale Price or any higher price and that the terms of payment of the purchase price are no more favourable to the purchaser than those rejected by the existing Shareholders.
- 6.13 In the event of the Transferring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit referred to in Article 6.11 above the Directors may authorise some person to execute a transfer of the Sale Shares to the Purchasers and the Company may give a good receipt for the purchase price of such Sale Shares and may register the Purchasers as holders thereof and issue to them certificates for the same whereupon the Purchasers shall become indefeasibly entitled thereto. The Transferring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Transferring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Transferring Shareholder but without interest. If such certificate shall comprise any shares which such Transferring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Transferring Shareholder a balance certificate for such shares.

7 PERMITTED TRANSFERS

- 7.1 The transfer of a Share shall be permitted in the cases and in accordance with the provisions set out in this Article 7 subject to the provisions of Article 5 but without the application of the provision of Article 6 (Pre-emption Procedure).
- 7.2 For the purposes of this Article:
- 7.2.1 **"Privileged Relation"** in relation to a Founder means the spouse of the Founder and the Founder's children and grandchildren (including step and adopted children and grandchildren); and
- 7.2.2 **"Family Trust"** in relation to a Founder means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that Founder and/or a Privileged Relation of that Founder and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such Founder or his Privileged Relations.
- 7.3 Where, in relation to a deceased Founder, under the provisions of the will of that Founder or the laws as to intestacy relating to such Founder, the persons beneficially entitled to any Shares held by that Founder, whether immediately or contingently, are Privileged Relations of the deceased Founder the legal personal representatives of such deceased Founder may transfer any Share to Privileged Relations of such deceased Member or to a trustee or trustees to be held on Family Trusts of such deceased Member.
- 7.4 Any Founder may at any time during his lifetime, transfer all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor.
- 7.5 Where any Shares are held by trustees upon a Family Trust:-
- 7.5.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- 7.5.2 such shares may be transferred at any time back to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.
- 7.6 If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other permitted transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities, a Transfer Notice shall be deemed to have been given in respect of the relevant shares (as defined in Article 7.8) by the holders thereof and such shares may not otherwise be transferred.
- 7.7 If and whenever a Privileged Relation to whom shares have been transferred ceases to be a Privileged Relation of the Founder who made the transfer, a Transfer Notice shall be deemed to have been given in respect of the relevant shares by the holders thereof and such shares may not otherwise be transferred.
- 7.8 For the purposes of Articles 7.6 and 7.7 the expression **"relevant shares"** means and includes the shares originally transferred to the trustees or Privileged Relation and any additional shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant shares or any of them.

8 COMPULSORY TRANSFERS

- 8.1 If a Shareholder or other person entitled to transfer a Share at any time attempts to deal with or dispose of the Share or any interest therein (including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such shares or the renunciation or assignment of any right to receive or subscribe for such Shares) otherwise than in accordance with the provisions of these Articles he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such Share.
- 8.2 Subject to Article 7.3, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of a Shareholder shall give a Transfer Notice before he elects in respect of any Share to be registered himself or to execute a transfer. The Directors may at any time after twelve months of the death, bankruptcy or insolvency upon resolution passed by them give notice requiring such persons within 30 days to give a Transfer Notice in respect of all the Shares to which he has so become entitled and for which he has not previously done so and if he does not do so he shall at the end of such 30 days be deemed to have given a Transfer Notice relating to those Shares in respect of which he has still not given a Transfer Notice.
- 8.3 Where a Transfer Notice is given or deemed given under either of Articles 8.1 or 8.2 the Transfer Notice shall be irrevocable, there shall be no right to impose a Total Sale Condition in respect of the Transfer Notice, and there shall be no right to withdraw the Transfer Notice after the Sale Price has been determined.
- 8.4 For the purposes of this Article 8.4:

"Bad Leaver" means any Leaver who is not a Good Leaver or Intermediate Leaver;

"Employed" means employed or engaged by the Company or any subsidiary of the Company as an employee or Director (whether under a contract of service or otherwise) and **"Employment"** and **"Employee"** shall be construed accordingly;

"Fair Price" means a price agreed between the Leaver and the Board. In default of agreement thereon within 30 days the fair price shall be determined in accordance with the principles set out in Article 6.3;

"Good Leaver" means a Leaver who:

- (i) is determined to be a Good Leaver by a Shareholder Majority (excluding all Shares held by the Leaver); or
- (ii) has his Employment terminated by the Company in circumstances where he has not committed any fraud, dishonesty, misconduct or gross negligence; or
- (iii) ceases to be Employed (including as a result of serious ill health or death) on or after the fifth anniversary of his Membership Date in circumstances where he has not committed any fraud, dishonesty, misconduct or gross negligence.

"Intermediate Leaver" means a Leaver who ceases to be Employed (including as a result of serious ill health or death) prior to the fifth anniversary of his Membership Date in circumstances where he has not committed any fraud, dishonesty, misconduct or gross negligence.

"Leaver" means any Shareholder, other than a Founder, in the event that he ceases to be Employed;

"Membership Date" means the date of a Leaver first becoming a Shareholder;

"Termination Date" means:

- (i) where Employment ceases by virtue of notice given by the Company or any subsidiary to the Employee, the date on which such notice expires;
- (ii) where a contract of Employment is terminated by the Company and a payment is made in lieu of notice, the date on which notice of termination was served; and
- (iii) in any other case, the date on which the Leaver's Employment is terminated.

8.4.1 The Directors may at any time within twelve months of a Leaver's Termination Date upon resolution passed by them give notice requiring such Leaver within 30 days to give a Transfer Notice in respect of all the Shares in the Company then held by him or in which he is beneficially interested and if he does not do so he shall at the end of such 30 days be deemed to have given a Transfer Notice relating to those Shares in respect of which he has still not given a Transfer Notice.

8.4.2 If a Leaver is a Good Leaver, the Sale Price for his Shares shall be the Fair Price.

8.4.3 If a Leaver is a Bad Leaver, the Sale Price for his Shares shall be the lower of the price originally paid by the Leaver for the Leaver's Shares and the Fair Price.

8.4.4 If the Leaver is an Intermediate Leaver, the Sale Price for his Shares shall be calculated by reference to his Termination Date as follows:

Leaver's Termination Date	Sale Price for Leaver's Shares
Prior to the first anniversary of his Membership Date	Price originally paid by Leaver for his Shares
On or after the first anniversary of his Membership Date but prior to the second anniversary	20% of Fair Price
On or after the second anniversary of his Membership Date but prior to the third anniversary	40% of Fair Price
On or after the third anniversary of his Membership Date but prior to the fourth anniversary	60% of Fair Price
After the fourth anniversary of his Membership Date but prior to the fifth anniversary	80% of Fair Price

8.4.5 The Fair Price shall be calculated as at the Termination Date.

8.4.6 Any Transfer Notice given or deemed given under Article 8.4 shall be irrevocable, there shall be no right to impose a Total Sale Condition in respect of the Transfer

Notice, and there shall be no right to withdraw the Transfer Notice after the Fair Price has been determined.

9 TAG ALONG

- 9.1 No sale or transfer of any Shares ("**Proposed Transfer**") shall, if resulting in a third party other than an existing Shareholder ("**Buyer**") acquiring Shares from Shareholders which represent more than 50% of the issued share capital of the Company, be made or registered unless the Buyer has first offered to purchase all other issued Shares on the same terms, but for a price per Share that is at least equal to the highest price per Share offered or paid by the Buyer to any Shareholder in any of the previous 12 months.
- 9.2 In the event that an offer made pursuant to Article 9.1 is accepted in writing by any Shareholder(s) within 20 business days of being received, completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Shares held by the accepting Shareholder(s).

10 DRAG ALONG

- 10.1 If a bona fide third party offeror for Shares in the Company (the "**Purchaser**"), having made offers on the same terms as to price and otherwise on substantially the same terms to all the Shareholders of the Company which are acceptable to a Shareholder Majority, receives valid acceptances which would, on completion, result in such offeror becoming the holder of not less than 50.1% of the issued equity share capital of the Company (an "**Agreed Sale**"), then:
- 10.1.1 such offeror may give notice to any non-accepting Shareholder requiring him to accept the offer within 14 days and stating that, failing such acceptance, he shall be deemed to have accepted such offer in respect of all Shares held by him and irrevocably to have waived any pre-emption rights he may have in relation to any shares the subject of such offer;
- 10.1.2 upon the expiry of such notice each recipient thereof shall be obliged to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the shares which were the subject of the notice together with an executed waiver of pre-emption rights, if appropriate;
- 10.1.3 if any such Shareholder fails to deliver executed share transfer form(s), share certificate(s) and pre-emption waivers(s) (if appropriate) as set out above he shall be deemed to have appointed any Director of the Company to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such shareholder) of the appropriate purchase moneys, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such Shareholder's share certificate(s) has/have not been produced;
- 10.1.4 after such offeror or his nominee has been registered as the holder of Shares transferred in accordance with this Article 10.1 the validity of such transaction shall not be questioned by any person;
- 10.1.5 if any person acquires Shares after an Agreed Sale pursuant to the rights or interests conferred upon them prior to the Agreed Sale, the provisions of this Article shall apply so that the relevant Shareholder shall, immediately following the allotment of such Shares, be obliged to transfer such Shares to the Purchaser as if such Shares were in issue at the date of the Agreed Sale (save that completion of such transfer

shall take place on the date of such allotment or, if later, the date on which the Agreed Sale is completed).

11 GENERAL MEETINGS

- 11.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two members present in person or by proxy shall be a quorum for all purposes save where there are less than two members in which event all the members must be present to form a quorum.
- 11.2 The Chairman at any general meeting shall be entitled to a second or casting vote.
- 11.3 The accidental omission to give notice of a meeting to any member entitled to receive notice of and attend and vote at general meetings shall not invalidate the proceedings at that meeting.

12 ALTERNATE DIRECTORS

- 12.1 Any Director (other than an alternate director) may at any time by writing under his hand and deposited at the registered office of the Company, or delivered at a meeting of the Directors, appoint any person to be his alternate director (for all or any limited purposes and provided that such person, if not himself a Director, has been approved by the Board) and may in like manner at any time terminate such appointment. The appointment of an alternate director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director. Every person acting as an alternate director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director) and shall be counted in the quorum (subject to these Articles) if he holds office only as an alternate director.
- 12.2 Subject to the terms of appointment of the alternate director, an alternate director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director at any such meetings at which his appointor is not personally present and generally at such meetings to perform all the functions of his appointor as a Director in his absence and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability, an alternate director's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor.
- 12.3 An alternate director shall not (save as aforesaid) have power to act as a Director or be deemed to be a Director for the purposes of these Articles.
- 12.4 An alternate director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any remuneration except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

13 PROCEEDINGS OF DIRECTORS

- 13.1 Subject to the provisions of these Articles and to any agreement from time to time between the Shareholders, the Directors may regulate their proceedings as they think fit.
- 13.2 The quorum for the transaction of business at any meeting of the Directors (or part of a meeting as referred to below) shall be two Directors save where there are less than two directors in office in which event the quorum shall be all of the directors.

- 13.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 15 to authorise a Conflict (as defined in Article 15), if there are less than two Directors in office eligible to vote other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Director who is so eligible.
- 13.4 The Chairman of the Directors and of each committee of the Directors shall have a second or casting vote.
- 13.5 All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution and no such resolution shall be effective unless approved by a majority of the Directors.
- 13.6 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 13.7 The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies in their number.

14 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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 Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) 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;
- (b) 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 existing or proposed transaction or arrangement in which he is interested;
- (c) 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;
- (d) 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
- (e) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

15 DIRECTORS' CONFLICTS

- 15.1 The Directors may, in accordance with the requirements set out in this Article 15, 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**").

15.2 Any authorisation under this Article 15 will be effective only if:

- (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (b) 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.

15.3 Any authorisation of a Conflict under this Article 15 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) 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;
- (c) provide that the Interested Director shall or shall not be entitled to vote on the matter at a meeting of Directors in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- (e) 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) 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
- (f) 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.

15.4 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.

15.5 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

15.6 A Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article applies only if the existence of that relationship has been approved by the

Directors pursuant to this Article 15. In particular, the Director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he fails:

- 15.6.1 to disclose any such information to the board or to any director or other officer or employee of the Company; and/or
- 15.6.2 to use or apply any such information in performing his duties as a director of the Company.

16 NOTICES

- 16.1 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed.
- 16.2 A notice required by these Articles to be given by the Company may be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this Article, "address" in relation to electronic communications includes any number or address used for the purposes of such communications
- 16.3 Subject to Article 16.4, any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - (a) 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 seven days after posting to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by facsimile or other electronic means, one hour after the document or information was sent or supplied; and
 - (d) 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.
- 16.4 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.
- 16.5 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings.

17 INDEMNITY

- 17.1 Subject to the provisions of and to the extent permitted by law, every Director or other officer (excluding the Auditors) is entitled to be indemnified out of the assets of the Company against all liabilities which he may incur in or in connection with the performance or purported performance of his duties or the exercise, or the purported exercise, of his powers.

- 17.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring such Director against such risks in relation to this office as such Director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.