

CERTIFIED A TRUE COPY
For and on behalf of Morton Fraser LLP
Date: 1/9/16

COMPANY NUMBER: SC333116
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

Joyce H. White

of

WELLS HOTELS LIMITED (the "Company")

Circulation Date: 30/8/16

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

- 1 resolution 1 below is passed as a special resolution (the "Special Resolution")
- 2 resolution 2 below is passed as an ordinary resolution (the "Ordinary Resolution"); and

SPECIAL RESOLUTION

- 1 "THAT the regulations set out in the form attached hereto and initialled for identification purposes be approved and adopted as the Articles of Association of the Company to the exclusion of and in substitution for the existing articles."

ORDINARY RESOLUTION

- 2 "THAT, in accordance with section 551 of the Companies Act 2006 ("Act"), the Directors be generally and unconditionally authorised to allot 125,000 A Ordinary Shares of £0.01 shares in the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 31 December 2016 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act."

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the above resolutions.

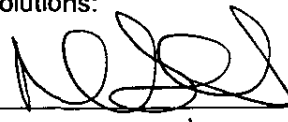
The undersigned, a person entitled to vote on the above resolutions (the "Resolutions") on the Circulation Date, hereby irrevocably agrees to the Resolutions:

Signed by Neil Wells

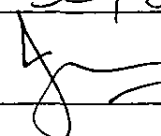
Date

Signed by Ian Wells

Date



30/8/16



30/8/16

FRIDAY



SCT 02/09/2016 #161
COMPANIES HOUSE

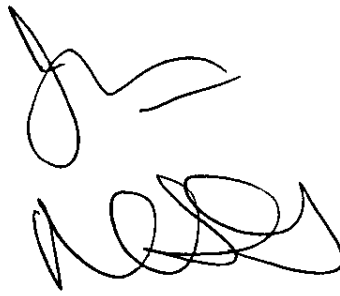
NOTES

- 1 You can choose to agree to all of the 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 the signed version either:

- a. by hand or by post to Stewart Moy, Morton Fraser LLP, 145 St Vincent Street, Glasgow, G2 5JF;
- b. by fax to fax number 0141 274 1129, marked for the attention of Stewart Moy; or
- c. by e-mailing a scanned copy to stewart.moy@morton-fraser.com

If you do not agree to 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 the date 28 days from the Circulation Date (inclusive), 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.

A handwritten signature in black ink, consisting of a stylized 'J' or 'L' shape followed by a series of loops and a final flourish.

ARTICLES OF ASSOCIATION
of
WELLS HOTELS LIMITED

2016
SMO/JHW/WE487 X002

MORTON FRASER ●
LAWYERS

| | | |
|----|---|----|
| 1 | INTERPRETATION | 1 |
| 2 | LIMITATION OF LIABILITY | 3 |
| 3 | DIRECTORS POWERS & RESPONSIBILITIES | 3 |
| 4 | DECISION MAKING BY DIRECTORS | 4 |
| 5 | DIRECTORS MEETINGS | 5 |
| 6 | DIRECTORS' INTERESTS | 6 |
| 7 | RECORDS OF DECISIONS TO BE KEPT | 8 |
| 8 | DIRECTORS' DISCRETION TO MAKE FURTHER RULES | 8 |
| 9 | APPOINTMENT OF DIRECTORS | 8 |
| 10 | ALTERNATE DIRECTORS | 9 |
| 11 | SHARES | 11 |
| 12 | ISSUE OF SHARES | 16 |
| 13 | TRANSFER OF SHARES | 18 |
| 14 | DIVIDENDS AND OTHER DISTRIBUTIONS | 26 |
| 15 | CAPITALISATION OF PROFITS | 29 |
| 16 | ORGANISATION OF GENERAL MEETINGS | 29 |
| 17 | VOTING AT GENERAL MEETINGS | 32 |
| 18 | ADMINISTRATIVE ARRANGEMENTS | 34 |
| 19 | DIRECTORS' INDEMNITY AND INSURANCE | 35 |

COMPANIES ACTS 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
WELLS HOTELS LIMITED

1 INTERPRETATION

1.1 Defined Terms

In these Articles, unless the context requires otherwise:-

"the Articles" means the Company's Articles of Association;

"the Act" means the Companies Act 2006;

"Associated Company" means any holding company or subsidiary company of the Company or any company which is a subsidiary of a holding company of the Company;

"Bad Leaver" means a Leaver who has ceased to be employed by the Company or other member of the Group other than for any of the following reasons:-

- (i) he dies;
- (ii) retirement at the Company's normal retirement age (if any) (provided that the directors are satisfied that such retirement is on a permanent basis);
- (iii) he ceases to be employed for some other reason which the Board consider should not constitute him as a Bad Leaver; or
- (iv) he is a Dismissed Leaver.

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

"Chairman" has the meaning given in Article 5.4;

"Chairman of the Meeting" has the meaning given in Article 16.3.3;

"Director" means a director of the Company, and includes any person occupying the position of director, by whatever name called;

"Dismissed Leaver" means a Leaver who has ceased to be employed by the Company or other member of the Group by virtue of having been dismissed on the grounds of gross misconduct;

"Distribution Recipient" has the meaning given in Article 14.2.2;

"document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

"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);

"Family Member" means children (including step and adopted children) or a remoter issue of a Member.

"Family Trust" means a Trust (a) which does not permit any of the settled or trust property or the income from it to be applied otherwise than for the benefit of the Member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the Trust is capable of being exercised by or being subject to the consent of any person other than the Trustees or such Member or any of his Family Members and (b) the identity of each Trustee of which (if not the member or his Family Members) have been approved by the Directors in writing.

"Founder Member" means either of Neil Wells or Ian Wells

"Fully Paid" in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the company;

"Group" means the Company and each Subsidiary of the Company (if any) from time to time;

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006;

"Holder" in relation to the Shares means the person whose name is entered in the register of members as the holder of the Shares;

"Instrument" means a document in hard copy form;

"Leaver" has the meaning set out in Article 13.7.1;

"Member" means a member of the Company;

"Ordinary Resolution" has the meaning given in section 282 of the Act;

"Ordinary Shares" means Ordinary Shares in the share capital of the Company;

"Preference Shares" means Preference Shares in the share capital of the Company;

"paid" means paid or credited as paid;

"participate" in relation to a directors' meeting, has the meaning given in Article 5.2.1;

"Proxy Notice" has the meaning given in Article 17.4;

"Shareholder" means a person who is the holder of a Share;

"Shares" means shares in the Company;

"Special Resolution" has the meaning given in section 283 of the Act;

"Subsidiary" has the meaning given in section 1159 of the Act;

"Transmittee" means a person entitled to a Share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Unless the context otherwise requires, words or expressions contained in these Articles which are not defined in Article 1.1 but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date of adoption of these Articles).
- 1.3 Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation include any modification or re-enactment of that provision for the time being in force.
- 1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.5 A reference in these Articles to an **"Article"** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.6 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:-
 - 1.6.1 any subordinate legislation from time to time made under it; and
 - 1.6.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.7 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.
- 1.8 Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include any company, corporate body, partnership, firm, government authority or society (whether incorporated or not).
- 1.9 These Articles exclude the model articles prescribed by the Companies (Model Articles) Regulation 2008.

2 **LIMITATION OF LIABILITY**

2.1 **Liability of Members**

The liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.

3 **DIRECTORS POWERS & RESPONSIBILITIES**

3.1 **Directors' general authority**

Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

3.2 **Shareholders' reserve power**

3.2.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

3.2.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution which would have otherwise been valid.

3.3 Directors may delegate

3.3.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles:-

3.3.1.1 to such person or committee;

3.3.1.2 by such means (including by power of attorney);

3.3.1.3 to such an extent;

3.3.1.4 in relation to such matters or territories; and

3.3.1.5 on such terms and conditions;

as they think fit.

3.3.2 If the Directors so specify in writing, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

3.3.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

3.4 Committees

3.4.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.

3.4.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

4 DECISION MAKING BY DIRECTORS

4.1 Directors to take decisions collectively

4.1.1 Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 4.2.

4.1.2 If the Company only has one Director Article 4.1.1 does not apply, and the sole Director may (for so long as he remains the sole Director) take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making.

4.2 Unanimous decisions

4.2.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors unanimously agree on such decision.

- 4.2.2 Such a decision shall take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.2.3 References in this Article to Eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 4.2.4 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting convened to consider the decision.

5 DIRECTORS MEETINGS

5.1 Calling a directors' meeting

- 5.1.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.
- 5.1.2 Notice of any Directors' meeting must indicate:-
 - 5.1.2.1 its proposed date and time;
 - 5.1.2.2 where it is to take place; and
 - 5.1.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 5.1.3 Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 5.1.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company prior to the meeting or not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

5.2 Participation in directors' meetings

- 5.2.1 Subject to these Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:-
 - 5.2.1.1 the meeting has been called and takes place in accordance with these Articles, and
 - 5.2.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 5.2.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other, provided that all parties participating in the Directors' meeting can speak to and be heard by all those participating in the meeting simultaneously.

- 5.2.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

5.3 Quorum for directors' meetings

- 5.3.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

- 5.3.2 Subject to Article 5.3.3, the quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but shall never be less than two, and unless otherwise fixed it is two which must include one Founder Member.

- 5.3.3 If there is only one Director holding office, he may exercise all the powers and discretions conferred on Directors by these Articles.

- 5.3.4 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:-

5.3.4.1 to appoint further Directors, or

5.3.4.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

- 5.3.5 For the purposes of any meeting (or part of a meeting) held pursuant to Article 6.2 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.

5.4 Chairing of directors' meetings

- 5.4.1 For so long as either of the Founder members remains a director of the Company one Founder Member shall act as Chairman of any directors meetings. The Founder Member so appointed at any meeting is known as the Chairman.

5.5 Casting vote

If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting shall have an additional casting vote.

6 DIRECTORS' INTERESTS

6.1 Transactions or other arrangements with the Company

- 6.1.1 Subject to 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:-

6.1.1.1 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;

6.1.1.2 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;

- 6.1.1.3 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;
- 6.1.1.4 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;
- 6.1.1.5 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
- 6.1.1.6 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.

6.2 Directors' Conflicts of Interest

- 6.2.1 The Directors may (subject to such terms and conditions, if any as they may think fit to impose from time to time) 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 (a **"Conflict"**) provided that any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and 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.
- 6.2.2 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.
- 6.2.3 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.
- 6.2.4 In authorising a Conflict, the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to disclose such information to the Directors or to

any Director or other officer or employee of the Company where to do so would amount to a breach of that confidence.

7 RECORDS OF DECISIONS TO BE KEPT

- 7.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

8 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

- 8.1 Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

9 APPOINTMENT OF DIRECTORS

9.1 Number of Directors

Unless otherwise determined by Special Resolution of the Company, the number of Directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

9.2 Methods of appointing directors

- 9.2.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director by Ordinary Resolution, or by a decision of the Directors.

- 9.2.2 In any case where, as a result of death or Bankruptcy, the Company has no Shareholders and no Directors, the Transmittee 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 person to be a Director.

- 9.2.3 For the purposes of Article 9.2.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

9.3 Termination of director's appointment

- 9.3.1 A person ceases to be a Director as soon as:-

- 9.3.1.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
- 9.3.1.2 a Bankruptcy order is made against that person;
- 9.3.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 9.3.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;

9.3.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

9.3.1.6 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.

9.4 Directors' remuneration

9.4.1 Directors may undertake any services for the Company that the Directors decide.

9.4.2 Directors are entitled to such remuneration as the Directors determine for their services to the Company as Directors, and for any other service which they undertake for the Company.

9.4.3 A Director's remuneration may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director and any member of his family.

9.4.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

9.4.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

9.5 Directors' expenses

9.5.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:-

9.5.1.1 meetings of Directors or committees of Directors,

9.5.1.2 general meetings, or

9.5.1.3 separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

10 ALTERNATE DIRECTORS

10.1 Appointment and removal of alternates

10.1.1 Any Director (the "**Appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:-

10.1.1.1 exercise that Director's powers, and

10.1.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

10.1.2 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.

10.1.3 The notice must:-

10.1.3.1 identify the proposed alternate, and

10.1.3.2 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.

10.2 Rights and responsibilities of alternate director

10.2.1 An alternate director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's Appointor.

10.2.2 Except as these Articles specify otherwise, alternate directors:-

10.2.2.1 are deemed for all purposes to be Directors;

10.2.2.2 are liable for their own acts and omissions;

10.2.2.3 are subject to the same restrictions as their Appointors; and

10.2.2.4 are not deemed to be agents of or for their Appointors.

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

10.2.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and

10.2.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

10.2.4 No alternate may be counted as more than one director for the purposes set out in Article 10.2.3.

10.2.5 An alternate director is not 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.

10.3 Termination of alternate directorship

10.3.1 An alternate director's appointment as an alternate terminates:-

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

10.3.1.2 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;

- 10.3.1.3 on the death of the alternate's Appointor;
- 10.3.1.4 when the alternate's Appointor's appointment as a Director terminates; or
- 10.3.1.5 if he resigns his office by notice in writing to the Company.

11 SHARES

11.1 Share Capital

The share capital of the Company shall consist of ordinary shares of £1 each ("**Ordinary Shares**") A ordinary shares of £0.01 each ("**A Ordinary Shares**") and preference shares of £1 each ("**Preference Shares**").

11.2 Rights attaching to Shares

The rights attaching to the Ordinary Shares, the A Ordinary Shares and the Preference Shares shall be as follows:-

11.2.1 Income

11.2.1.1 The profits of the Company available for distribution and resolved to be distributed in respect of any financial year of the Company shall be distributed among the holders of the Ordinary Shares and the holders of the A Ordinary Shares.

11.2.1.2 The Directors shall be entitled at their discretion to recommend:

11.2.1.2.1 a dividend on one or more class of the shares but not the other class or classes of the Shares; and/or

11.2.1.2.2 a different level of dividend on each class of shares.

11.2.1.3 Where a dividend is declared on any class of the Shares, the profits of the Company available for distribution and resolved to be distributed in respect of that class of the Shares for any financial year of the Company shall be distributed among the Holders of the Shares in that class rateably accordingly to the amounts paid up or credited as paid up on the Shares in that class held by them respectively.

11.2.1.4 The holders of the Preference Shares shall not be entitled to any payment of any dividends.

11.2.2 Distributions of capital

On a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the Members shall be applied as follows:-

11.2.2.1 first, in paying to the Holders of the Preference Shares a sum equal to the amount paid up or credited as paid up on such Preference Shares

11.2.2.2 second in paying to the Holders of the A Ordinary Shares from the fifth anniversary of the issue of the A Ordinary Shares, subject to a minimum amount of 3.2 pence per share, the amount derived from the following formula shall be distributed amongst the Holders of the A Ordinary shares:-

$$(W-X) \times Y$$

Where:

W = the Closing Value;

X = the Opening Value;

Y = 2%; and

For the purposes of this Article 11.2.2.2, the following words and phrases shall have the following meanings:-

"Closing Value" means the value of the net assets of the Company on the Disposal Date as calculated on the basis of the Last Accounts;

"Opening Date" means the date of issue of the A Ordinary Shares;

"Opening Value" means the value of net assets of the Company on the Opening Date as calculated on the basis of the Last Accounts as at that date;

"Disposal Date" means the date the winding up of the Company;

"Financial Year" means the Company's financial year ending on 31st March each year (or such other date as may be selected by the Company as its accounting reference date from time to time);

"Last Accounts" means the audited consolidated accounts of the Group in respect of the last Financial Year prior to the date on which the Value is being calculated;

"Net Assets" mean the aggregate consolidated current assets less the aggregate consolidated liabilities of the Group;

For the avoidance of doubt, if the Disposal Date is prior to the fifth anniversary of the Opening Date, the amount to which the Holder is entitled shall be 3.2 pence per A Ordinary share.

11.2.2.3 third, subject to the provisions of clauses 11.2.2.1 and 11.2.2.2 hereof, in paying to the Holders of the Ordinary Shares a sum equal to the nominal amount of each Ordinary Share held by them and the balance of such assets (if any) shall be distributed amongst the Holders of Ordinary Shares, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

11.2.3 Voting

11.2.3.1 The Preference Shares shall not confer any rights on the Holders thereof to attend or vote at any general meeting of the Company.

11.2.3.2 Subject to any special rights, privileges or restrictions attached to any Ordinary Shares, at a general meeting of the Company on a show of hands every Holder of Ordinary Shares who (being an individual) is present in person or by proxy (not being himself a Member) or (being a corporation) is present by a representative duly authorised under Section 323 of the Act (not being himself a Member) shall have one vote, and on a poll every Holder of Ordinary Shares present in person, by representative or by proxy shall have one vote for every Ordinary Share of which he is the Holder.

11.2.3.3 The A Ordinary Shares shall not confer any rights on the Holders thereof to attend or vote at any general meeting of the Company.

11.2.4 Sale Provisions

11.2.4.1 on a Sale, the proceeds of the Sale, subject to a minimum amount of £1.60 per share, the amount derived from the following formula shall be distributed amongst the Holders of the A Ordinary shares:-

$$(W-X) \times Y$$

Where:

W = the Closing Value;

X = the Opening Value;

Y = .2%; and

For the purposes of this Article 11.2.4.1, the following words and phrases shall have the following meanings:-

"Closing Value" means the value of the net assets of the Company on the Disposal Date as calculated on the basis of the Last Accounts;

"Opening Date" means the date of issue of the A Ordinary Shares;

"Opening Value" means the value of net assets of the Company on the Opening Date as calculated on the basis of the Last Accounts as at that date;

"Disposal Date" means the date of a Sale;

"Financial Year" means the Company's financial year ending on 31st March each year (or such other date as may be selected by the Company as its accounting reference date from time to time);

"Last Accounts" means the audited consolidated accounts of the Group in respect of the last Financial Year prior to the date on which the Value is being calculated;

"Net Assets" mean the aggregate consolidated total assets less the aggregate consolidated liabilities of the Group;

"Sale" means a sale of the whole issued share capital of the Company on an arms length basis to a third party purchaser;

11.2.5 Redemption

- 11.2.5.1 The Preference Shares shall be redeemable by the Holders of the Preference Shares at any time giving not less than 6 month's notice in writing to the Company requiring the Company to redeem the whole or part of the Preference Shares in issue.
- 11.2.5.2 The Ordinary Shares and the A Ordinary Shares shall not be redeemable.

11.2.6 Deadlock

- 11.2.6.1 In the event of failure to establish a quorum, or no resolution being passed, at two consecutive general meetings, or failure to agree or resolve a specific issue at a meeting of the Directors of which not less than twenty one day's notice in writing, containing full particulars of such issue, shall have been given, either party may within twenty eight days of the date of the said second general meeting or, as the case may be, of said meeting of Directors, give notice (hereinafter called an **"Auction Notice"**) to the Company and to the other party (hereinafter called the **"Offeree"**). Such Auction Notice given by one party (hereinafter called the **"Offeror"**) shall specify the price per share (hereinafter called the **"Offer Price"**) at which the Offeror is prepared to buy all the shares held or otherwise owned by the Offeree (hereinafter called the **"Offeree's Shares"**).
- 11.2.6.2 Within twenty one days of receipt by the Offeree of the Auction Notice, the Offeree shall give a notice (hereinafter called the **"Counter-Notice"**) to the Company and the Offeror either agreeing to sell the Offeree's Shares at the Offer Price or offering the

Offeror a price per share (hereinafter called the "**Counter-Offer Price**") which is higher than the Offer Price for the Shares held or otherwise owned by the Offeror (hereinafter called the "**Offeror's Shares**").

11.2.6.3 Within seven days of the receipt by the Offeror of the Counter-Notice, the Offeror shall, if the Offeree has agreed to sell the Offeree's Shares, purchase those share at the Offer Price, or if the Offeree has offered to buy the Offeror's Shares, give a notice to the Company and the Offeree either agreeing to sell the Offeror's Shares to the Offeree at the Counter-Offer Price, or offering the Offeree a price per share which is higher than the Counter-Offer Price for the Offeree's Shares.

11.2.6.4 The provisions of Article 11.2.6.2 and 11.2.6.3 shall, with the substitution in paragraph 11.2.6.2 of seven days for twenty one days and with all other necessary changes, apply to any further offer by the Offeror under paragraph 11.2.5.3 and each subsequent offer and counter-offer mutatis mutandis until, either:-

11.2.6.4.1 a price for the sale of the Offeror's Shares to the Offeree or for the sale of the Offeree's shares to the Offeror has been agreed, or

11.2.6.4.2 the Offeror or the Offeree (as the case may be) shall have failed to give a notice to the Company and the other of them within the relevant seven day period.

11.2.6.5 Each of the Offeror and the Offeree shall be deemed to have agreed to sell his shares to the other at the price per share offered by that other if the Offeror, or, as the case may be, the Offeree shall not have given the notice required pursuant to Article 11.2.6.2 or 11.2.6.3 within the requisite period of seven or twenty one days, as the case may be.

11.2.6.6 Upon a price for the sale of the Offeror's Shares to the Offeree or for the sale of the Offeree's Shares to the Offeror being agreed, the Offeror or the Offeree (as the case may be) shall be entitled to nominate a company over which they have Control to purchase the shares belonging to the other of them. For the purposes of this clause "**Control**" has the meaning ascribed to it in section 840 of the Income and Corporation Taxes Act 1988.

11.2.6.7 The rights of the parties hereunder shall lapse, and all proceedings hereunder be deemed void ab initio, in the event that the circumstances entitling either party to give notice pursuant to Article 11.2.6.1 1 hereof are resolved prior to settlement of the purchase and sale of the shares, the subject of the relevant notice.

11.3 All shares to be fully paid up

11.3.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

11.3.2 This does not apply to Shares taken on the formation of the company by the subscribers to the Company's memorandum.

11.4 Power to issue different classes of share

11.4.1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by Special Resolution.

11.4.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, on such terms and conditions and in such manner as may be determined by these Articles or as the Company may determine by Special Resolution.

12 ISSUE OF SHARES

12.1 Allotment of Shares

12.1.1 Save to the extent authorised by these Articles, or authorised from time to time by an Ordinary Resolution of the Shareholders, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or convert any security into, any Shares in the Company.

12.1.2 Subject to the provisions of Articles 12.1.3 to 12.1.7 hereof, for the purposes of Section 551 of the Act (as such Section may be modified or re-enacted) the Directors are generally and unconditionally authorised at any time and from time to time to exercise all powers of the Company to offer or allot Ordinary Shares in the Company or grant rights to subscribe for or convert any security into Ordinary Shares or otherwise deal in or dispose of any Ordinary Shares in the Company to any person subject to any terms and conditions that the Directors think proper but so that no Ordinary Share shall be issued in contravention of Section 553 of the Act.

12.1.3 The authority referred to in Article 12.1.2:-

12.1.3.1 shall be limited to an aggregate nominal amount of £4,000,000;

12.1.3.2 shall only apply insofar as the Company has not renewed, waived or revoked it by Ordinary Resolution;

12.1.3.3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the Directors after such anniversary of their powers in pursuance of the said authority. Section 550 of the Act shall not apply to the Company.

12.1.4 Unless otherwise determined by Special Resolution of the Company any Ordinary Shares shall before issue be offered to the Members holding Ordinary Shares in proportion as nearly as circumstances admit to their existing holding of such shares. Any such offer shall be

made by notice in writing specifying the number of Ordinary Shares comprised in the offer and specifying a date (being not less than fourteen days after the date of the offer) after which the offer, if not by then accepted, will be deemed to have been refused. The offer shall indicate that a Member may accept in respect of a lesser number of Ordinary Shares than those comprised in the offer and shall also include notification to the effect that a Member to whom the offer is made who desires an allotment of Ordinary Shares in excess of the number of Ordinary Shares comprised in the offer should within twenty one days from the date of the offer state how many excess shares he desires to have.

12.1.5 If one or more of the Members to whom the offer is made do not accept the offer in respect of all the Ordinary Shares offered to them, the Ordinary Shares in respect of which no acceptance is received (the "Excess Shares") shall be applied in satisfying any request or requests for Excess Shares. In the event of the Excess Shares being insufficient in number to satisfy all the requests received for Excess Shares such request or requests for Excess Shares shall be satisfied to an extent in proportion as nearly as circumstances admit to the then existing holding of Ordinary Shares of the Members making such request.

12.1.6 If any Ordinary Shares are not taken up by the existing Members in accordance with the provisions of this Article 12 then the Directors may dispose of such Ordinary Shares to such persons and on such terms and conditions as they deem desirable and without prejudice to the foregoing generality they may allot such Ordinary Shares in payment of property sold or transferred or for services rendered to the Company or for such other consideration as the Directors may think fit and the Ordinary Shares so allotted may be issued as, and shall be deemed to be, partly paid up or fully paid up.

12.1.7 In accordance with Section 567(1) of the Act, the provisions of Sections 561 and 562 of the Act (as the same may be modified or re-enacted) are hereby expressly excluded.

12.2 Trusts may be recognised

The Company shall be entitled, but shall not be bound, to accept and, in the event of acceptance, shall be entitled to record in such manner as it may think fit, notices of any trusts in respect of any Shares of the Company. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust whether expressed, implied, or constructive, in respect of any Shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such Shares as if they were the absolute owners thereof. For the purposes of this provision "trust" includes any right in respect of any Shares of the Company other than an absolute right thereto in the holder thereof or such other rights in case of transmission thereof as are hereinafter mentioned.

12.3 Share certificates

12.3.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

12.3.2 Every certificate must specify:-

12.3.2.1 in respect of how many Shares, of what class, it is issued;

12.3.2.2 the nominal value of those Shares; and

12.3.2.3 that the Shares are Fully Paid.

12.3.3 No certificate may be issued in respect of Shares of more than one class.

12.3.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

12.3.5 Certificates must:-

12.3.5.1 have affixed to them the Company's common seal, or

12.3.5.2 be otherwise executed in accordance with the Act.

12.4 Replacement share certificates

12.4.1 If a certificate issued in respect of a Shareholder's Shares is:-

12.4.1.1 damaged or defaced, or

12.4.1.2 said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.

12.4.2 A Shareholder exercising the right to be issued with such a replacement certificate:-

12.4.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

12.4.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

12.4.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

13 TRANSFER OF SHARES

13.1 Share transfers

13.1.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and when lodged for registration shall be accompanied by the relevant share certificate and such other evidence (if any) as the Directors may require to prove the title of the intending transferor.

13.1.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

13.1.3 The Company may retain any instrument of transfer which is registered.

13.1.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as Holder of it.

- 13.1.5 The Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

13.2 Pre-emption rights on a transfer of Shares

- 13.2.1 No person shall transfer any Share save in accordance with the succeeding provisions of this Article.

- 13.2.2 Before transferring any Shares the person proposing to transfer the same (hereinafter called the "**Proposing Transferor**") shall give a notice in writing (hereinafter called the "**Transfer Notice**") to the Company that he desires to transfer the same. The Transfer Notice shall constitute the Company his agent for the sale of the Shares therein mentioned (together with all rights then attached thereto) at the prescribed price to any Member or Members of the Company found by the Directors pursuant to the provisions of this Article 13 and shall not be revocable except with the consent of the Directors or except where a Proposing Transferor having had notification of any such prescribed price determined by the auditors as hereinafter provided, shall, within one week of receipt of such notification, have given written notice to the Directors that he is dissatisfied with that prescribed price and wishes to revoke his Transfer Notice.

- 13.2.3 If, not more than one month before the date on which the Transfer Notice was given, the Proposing Transferor shall have agreed with the Directors a price per Share as representing the fair value thereof (such price being hereinafter referred to as the "**Agreed Price**") then any such Agreed Price shall be the prescribed price. Otherwise upon the giving of the Transfer Notice the Directors shall request the auditors for the time being of the Company to determine and certify the sum per Share considered by them to be the fair value thereof as at the said date as between a willing vendor and a willing purchaser by valuing the Company as a whole dividing that value by the number of Shares in issue and multiplying by the number of shares which are the subject of the transfer notice, and the sum per Share so determined and certified shall be the prescribed price. The auditors shall act hereunder as experts and not as arbiters and their determination shall be final and binding on all concerned. The costs and expenses of any valuation shall be borne by the Company unless a Proposing Transferor shall have revoked his Transfer Notice under Article 13.2.2 in which event the costs and expenses shall be borne by that Proposing Transferor.

- 13.2.4 If the prescribed price was settled as aforesaid prior to the said date, the prescribed period shall commence on such date and expire three months thereafter. If the prescribed period was not so agreed, the prescribed period shall commence on such date and expire three months after the date, being one week after the date on which the prescribed price determined by the auditors shall have been notified by the Directors to the Proposing Transferor, pending which the Directors shall defer the making of the offer hereinafter mentioned.

- 13.2.5 If the Members (other than the proposing transferor) vote in favour of the Company purchasing the Shares concerned then subject to meeting all statutory requirements the Company shall be entitled to purchase the Shares comprised in the Transfer Notice (or deemed Transfer Notice) within the prescribed period and in that event the Proposing Transferor shall be bound to transfer the Shares concerned

immediately upon receipt of payment of the fair value in respect of the Shares concerned.

- 13.2.6 In the event that the Company does not purchase the Shares concerned for whatever reason and if the Directors shall within the prescribed period find a Member or Members (hereinafter called "**Purchasing Members**") to purchase the Shares comprised in the Transfer Notice (or deemed Transfer Notice), or any of them and shall give notice in writing to that effect to the Proposing Transferor, he shall be bound, upon payment of the prescribed price, to transfer such Shares to the respective Purchasing Members. Every notice shall state the name and address of the Purchasing Member and the number of Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice.
- 13.2.7 The Directors shall, with a view to finding Purchasing Members, offer at the prescribed price, any Shares comprised in a Transfer Notice to the members holding Ordinary Shares as nearly as may be in proportion to the number of Ordinary Shares held by them respectively, and the offer if not accepted, will be deemed to have been declined. The offer shall indicate that a Member may accept in respect of a lesser number of Shares than those comprised in the offer and shall include notification to the effect that a Member to whom the offer is made who desires a transfer of Shares in addition to the number of Shares comprised in said offer to him, should in his reply to the offer or within such other time as the Directors may unanimously determined state how many additional Shares he desires to have. If any Member to whom an offer is made as aforesaid does not accept the offer in respect of all the Shares offered to him, the Shares in respect of which no acceptance is received (the "**Excess Shares**") shall be used in satisfying any request or requests for additional Shares received from the other Members of the Company as aforesaid. In the event of the Excess Shares being insufficient in number to satisfy all the requests received for additional Shares as aforementioned the said requests for additional Shares shall be satisfied to an extent in proportion as nearly as circumstances admit to the then existing holdings of Shares in the capital of the Company of the Members making such requests if more than one.
- 13.2.8 If a Proposing Transferor shall fail to transfer any Shares to a Purchasing Member hereunder, the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchasing Member to be registered as the holder of such Shares on receipt of the prescribed price. The receipt of the Company for the purchase money shall be a good discharge to the Purchasing Member (who shall not be bound to see to the application thereof) and after the Purchasing Member has been registered in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person.
- 13.2.9 If at the end of any relevant prescribed period the Directors shall not have found Purchasing Members for all or any of the Shares comprised in a Transfer Notice they shall notify the Proposing Transferor accordingly in which event the Proposing Transferor may (subject to the right of the Directors to refuse to register any transfer under Article 13.1.5 hereof), at any time within four months of the receipt of such notification, transfer all or any of such Shares for which Purchasing Members have not been found, to any person or persons on a bona

fide sale at a price per Share not less than the prescribed price at which the Directors sought purchasers for such Shares.

13.3 Permitted Transfers

13.3.1 Notwithstanding the foregoing provisions of Article 13.2, any member who is an individual holding Ordinary Shares or Preference Shares may at any time inter vivos transfer all or any Shares held by him and on the death of such member their executors or personal representatives may at any time transfer all or any of the Ordinary Shares or Preference Shares held by him to a person or persons shown to the reasonable satisfaction of the Directors to be:-

13.3.1.1 a Family Member of that member; or

13.3.1.2 trustees to be held under a Family Trust for that member.

13.3.2 Where any Ordinary Shares or Preference Shares are held by Trustees under a Family Trust:-

13.3.2.1 those Shares may on any change of Trustees be transferred by those Trustees to any new Trustee of that Family Trust whose identity has been approved by the Directors in writing;

13.3.2.2 those Shares may at any time be transferred by those Trustees to the settlor of that Trust or to any other Family Member of that settlor; and

13.3.2.3 if and whenever any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under clause 13.3.2.2) the Trustees and any person to whom such Shares may have been transferred (or have purported to have been transferred) shall forthwith issue a transfer notice (pursuant to Article 13.2.2 above) in respect of all the Shares then held by those Trustees or person and in any event within twenty eight days of the shares ceasing to be so held.

13.3.3 If any person has acquired Shares as a Family Member of a member by way of one or more permitted transfers under this Article 13.3 and that person ceases to be a Family Member of the member (including the death of such Family Member but excluding the death of such member) that person (or in the case of the death of such Family Member his personal representatives) shall forthwith transfer all the Shares then held by that person back to that member or to another Family Member or Family Members for such consideration as they agree within twenty eight days of the cessation or in default of such agreement at the fair value as determined in accordance with Article 13.2.3. In the event that such a transfer does not occur such person (or in the event of death his personal representatives) shall forthwith issue a transfer notice (pursuant to Article 13.2.2 above) in respect of all the Shares then held.

13.3.4 If any Member shall become apparently insolvent or if his estate shall be sequestrated or if he shall be declared Bankrupt or have any receiving order made against him or being a Company shall go into liquidation (other than liquidation for the purpose of reconstruction on

amalgamation) or have a receiver or administrator appointed over all or any of its assets such Member or the guardian, trustee, liquidator, attorney, receiver or other legal representative of such Member, shall be deemed to have given a Transfer Notice in respect of all Shares held by such Member immediately prior to the date of such insolvency, sequestration, arrangement, liquidation, receivership or administration and the whole provisions of Article 13.2 above shall apply in respect of such Transfer Notice save that such Member shall not be entitled to give notice of revocation of the Transfer Notice pursuant to Article 13.2.2.

- 13.3.5 If any Member shall die or have an Attorney appointed in terms of a continuing Power of Attorney executed in terms of the Adults with Incapacity (Scotland) Act 2000 (the "**2000 Act**") as a result of becoming incapable as defined by the 2000 Act or have a financial and / or welfare guardian appointed by any competent court in terms of the 2000 Act or any amendment, modification or re-enactment thereof, then the Members' personal representatives (subject to the entitlement to transfer to the deceased's Family Members and/or Family Trust in terms of Article 13.3.1) or guardians shall be deemed to have given a Transfer Notice in respect of all Shares held by such Member immediately prior to his or her death or the appointment of said guardian or attorney and the whole provisions of Article 13.2 shall apply in respect of such Transfer Notice save that the personal representatives or guardians shall not be entitled to give notice of revocation of the Transfer Notice pursuant to Article 13.2.2 and if at the end of the relevant prescribed period the Directors shall not have found Purchasing Members for all or any of the Shares comprised in the Transfer Notice, the personal representatives or guardians may at any time within four months of receipt of such notification either transfer all or any such Shares to a third party on a bona fide sale, pursuant to Article 13.2.9 or transfer all or any such Shares for which Purchasing Members have not been found to any Family Members and/or a Family Trust, in which event no purchase consideration shall be payable by the transferee or transferees.

13.4 Transmission of Shares

- 13.4.1 Subject to Article 13.3, if title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 13.4.2 A Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require:-
- 13.4.2.1 may, subject to these Articles, choose either to become the Holder of those Shares or to have them transferred to another person, and
- 13.4.2.2 subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the Holder had.
- 13.4.3 Transmitttees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the Holder's death or Bankruptcy or otherwise, unless they become the Holders of those Shares.

13.5 Exercise of transmitttees' rights

- 13.5.1 Transmittees who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 13.5.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.
- 13.5.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

13.6 Transmitttees bound by prior notices

If a notice is given to a Shareholder in respect of Shares and a Transmitttee is entitled to those Shares, the Transmitttee is bound by the notice if it was given to the Shareholder before the Transmitttee's name has been entered in the register of members.

13.7 Mandatory Transfers

13.7.1 If:-

13.7.1.1 any Member holding A Ordinary Shares employed by the Group and not being a director shall cease to be so employed for any reason; or

13.7.1.2 any Member holding A Ordinary Shares who is also a Director shall cease to be both an employee of the Group and a Director for any reason;

then such Member (a "Leaver"), shall be deemed to have given a Transfer Notice in respect of all Shares held by such Member immediately prior to the date of such cessation and the whole provisions of Article 13.2 shall apply in respect of such Transfer Notice.

13.7.2 If a Leaver is not a Bad Leaver or a Dismissed Leaver, and leaves at any time prior to the fifth anniversary of the issue of the A Ordinary Shares then the prescribed price shall be 3.2 pence per share.

13.7.3 If a Leaver is not a Bad Leaver or a Dismissed Leaver and leaves at any time after the fifth anniversary of the issue of the A ordinary Shares, then the valuation provisions contained in Article 11.2.4 will apply in determining the prescribed price as if there was a Sale on the date of such cessation.

13.7.4 If a Leaver is a Bad Leaver and leaves at any time prior to the fifth anniversary of the issue of the A Ordinary Shares, then the prescribed price of the shares shall be 3.2 pence per Share,

13.7.5 If a Leaver is a Bad Leaver and leaves at any time after the fifth anniversary of the issue of the A Ordinary Shares, then the valuation provisions contained within Article 11.2.4 will apply in determining the prescribed price as if there was a Sale on the date of such cessation subject to a reduction of 50% which reduced value shall then be subject to a minimum value of 3.2 pence per Share,

13.7.6 If a Leaver is a Dismissed Leaver, then the valuation provisions contained within Articles 11.2.4 will not apply and prescribed price of

the Shares held by such Dismissed Leaver shall be 3.2 pence per Share.

- 13.7.7 If any Member holding any A Ordinary Share shall become apparently insolvent or if his estate shall be sequestrated or if he shall be declared Bankrupt or have any receiving order made against him or being a Company shall go into liquidation (other than liquidation for the purpose of reconstruction or amalgamation) or have a receiver or administrator appointed over all or any of its assets such Member or the guardian, trustee, liquidator, attorney, receiver or other legal representative of such Member, shall be deemed to have given a Transfer Notice in respect of all Shares held by such Member immediately prior to the date of such insolvency, sequestration, arrangement, liquidation, receivership or administration on the same valuation basis as a Dismissed Leaver and the whole provisions of Article 13.2 shall apply in respect of such Transfer Notice.

13.8 Drag Along Rights

- 13.8.1 If the Holders of the majority of the Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all of their Shares to a bona fide arms length purchaser the "**Third Party Purchaser**") then such Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other Holders of the A Ordinary Shares (the "**Called Shareholders**") to sell and transfer all of their shares to the Third Party Purchaser for the consideration per Share as determined in accordance with Article 11.2.4.
- 13.8.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Selling Shareholders' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all of their Shares (the "**Called Shares**") pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred and the proposed date of transfer.
- 13.8.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Selling Shareholders' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 13.8.4 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares.
- 13.8.5 Any rights of pre-emption set out in these Articles shall not arise on any transfer of Shares to a Third Party Purchaser pursuant to a sale in respect of which a Drag Along Notice has been served.
- 13.8.6 If any Holder of Shares does not, on completion of the sale of Called Shares, execute transfers in respect of all the Called Shares held by them, the defaulting Holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney and to execute all necessary transfers on his behalf against receipt by the Company (on trust for such Holder) of the purchase monies deliver such transfers to the Third Party Purchaser and the Directors shall forthwith register the

Third Party Purchaser as the Holder thereof. After the Third Party Purchaser (or their nominee) has been registered as the Holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of Shares under this sub-article that no share certificate has been produced.

13.9 Tag along rights

13.9.1 If the Holders of the majority of the Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all of their Shares (the "**Transfer Shares**") to a bona fide arms length purchaser (the "**Third Party Purchaser**") the Selling Shareholders may be required to procure that the Third Party Purchaser purchases the A Ordinary Shares (the "**Come Along Right**") of the other holders of the A Ordinary Share (the "**Called Shareholders**"), if they so wish, in accordance with the following provisions:-

13.9.1.1 The Selling Shareholders must serve notice to that effect (the "**Come Along Offer**") on the Called Shareholders specifying that each Called Shareholder has the option to transfer his Shares (the "**Called Shares**") pursuant to this Article 13.9;

13.9.1.2 In the event that the Selling Shareholders fail to serve notice pursuant to Article 13.9.1.1, the Selling Shareholders will be deemed to have done so on receipt of written notice from any of the Called Shareholders that a Come Along Offer requires to be served;

13.9.1.3 A Come Along Offer once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Selling Shareholders do not transfer the Transfer Shares to the Third Party Purchaser within 60 days from the date of the Come Along Offer;

13.9.1.4 The Called Shareholders shall be entitled to sell the Called Shares on terms that they receive for their holding a consideration per Share as determined in accordance with Article 11.2.4;

13.9.1.5 Upon the triggering of the Come Along Right the Selling Shareholders in accordance with this Article 13.9, each of the Called Shareholders shall be entitled to sell his Called Shares in accordance with this Article 13.9;

13.9.1.6 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders to the Called Shareholders in the Come Along Offer save that:-

13.9.1.6.1 The Selling Shareholders may not specify a date that is less than 14 days after the date of the Come Along Offer; and

13.9.1.6.2 the date so specified by the Selling Shareholders shall be the same

date as the date proposed for completion of the sale of the Transfer Shares;

unless, in the case of the sale by any particular Called Shareholder, that Called Shareholder and the Selling Shareholders otherwise agree.

- 13.9.1.7 In the event that the Selling Shareholders fail to procure the sale of any of the Called Shares in accordance with this clause the Directors shall refuse to register any transfer of the Selling Shareholders' Shares.

13.10 Right to Purchase the A Ordinary Shares

- 13.10.1 Subject to meeting all statutory requirements, the Company shall be entitled to purchase from the Holder thereof the A Ordinary Shares or belonging to such Holder on the fifth anniversary of the date of issue of the A Ordinary Shares or at any time following such date for the consideration per A Ordinary Share as determined in accordance with Article 11.2.4 as if there had been a Sale on the date of such purchase. Upon notice to such Holder, the Holder shall be obliged to sell such Shares to the Company in exchange for payment of the price on the date specified in such notice.
- 13.10.2 In the event that the Company gives written notice to the Holder thereof that it does not intend to exercise the right to purchase that Holder's shares contained in Article 13.10.1 for any reason, such rights will be exercisable by the Holders of the majority of the Ordinary Shares.
- 13.10.3 If a Holder shall fail to transfer any Shares to the Company or the Holders of the majority of the Ordinary Shares under this Article 13.10, the Directors may authorise some person to execute and deliver on his behalf the necessary documents to effect such transfer or sale and the Company may receive the purchase money in trust for the Holder and cause the Shares purchased by the Company to be cancelled or the purchasing Member to be registered as the Holder of such Shares on receipt of the price. The receipt of the Company for the price shall be a good discharge to the purchasing Member (who shall not be bound to see to the application thereof) after the purchasing Member has been registered in the purposed exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person,

14 DIVIDENDS AND OTHER DISTRIBUTIONS

14.1 Procedure for declaring dividends

- 14.1.1 Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.
- 14.1.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 14.1.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.

- 14.1.4 Unless the Shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 14.1.5 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 14.1.6 If the Directors act in good faith, they do not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

14.2 Payment of dividends and other distributions

- 14.2.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:-
 - 14.2.1.1 transfer to a bank or building society account specified by the Distribution Recipient either in writing;
 - 14.2.1.2 sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a Holder of the Share), or (in any other case) to an address specified by the Distribution Recipient in writing;
 - 14.2.1.3 sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
 - 14.2.1.4 any other means of payment as the Directors agree with the Distribution Recipient in writing.
- 14.2.2 *In these Articles, the "Distribution Recipient" means, in respect of a Share in respect of which a dividend or other sum is payable:-*
 - 14.2.2.1 the Holder of the Share; or
 - 14.2.2.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or
 - 14.2.2.3 if the Holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree.

14.3 No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:-

- 14.3.1 the terms on which the Share was issued, or
- 14.3.2 the provisions of another agreement between the Holder of that Share and the Company.

14.4 Unclaimed distributions

14.4.1 All dividends or other sums which are:-

14.4.1.1 payable in respect of Shares, and

14.4.1.2 unclaimed after having been declared or become payable,

14.4.1.3 may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

14.4.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

14.4.3 If:-

14.4.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

14.4.3.2 the Distribution Recipient has not claimed it,

the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

14.5 Non-cash distributions

14.5.1 Subject to the terms of issue of the Share in question, the Company may, by Ordinary Resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).

14.5.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:-

14.5.2.1 fixing the value of any assets;

14.5.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and

14.5.2.3 vesting any assets in trustees.

14.6 Waiver of distributions

14.6.1 Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:-

14.6.1.1 the Share has more than one Holder, or

14.6.1.2 more than one person is entitled to the Share, whether by reason of the death or Bankruptcy of one or more joint Holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the Holders or persons otherwise entitled to the Share.

15 CAPITALISATION OF PROFITS

15.1 Authority to capitalise and appropriation of capitalised sums

15.1.1 Subject to these Articles and the provisions of the Act, the Directors may, if they are so authorised by an Ordinary Resolution:-

15.1.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

15.1.1.2 appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**Persons Entitled**") and in the same proportions.

15.1.2 Capitalised Sums must be applied:-

15.1.2.1 on behalf of the Persons Entitled, and

15.1.2.2 in the same proportions as a dividend would have been distributed to them.

15.1.3 Any Capitalised Sum may be applied in paying up new Shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as Fully Paid to the Persons Entitled or as they may direct.

15.1.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as Fully Paid to the Persons Entitled or as they may direct.

15.1.5 Subject to these Articles the Directors may:-

15.1.5.1 apply Capitalised Sums in accordance with Articles 15.1.3 and 15.1.4 partly in one way and partly in another;

15.1.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and

15.1.5.3 authorise any person to enter into an agreement with the Company on behalf of all the Persons Entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article.

16 ORGANISATION OF GENERAL MEETINGS

16.1 Attendance and speaking at general meetings

- 16.1.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 16.1.2 A person is able to exercise the right to vote at a general meeting when:-
 - 16.1.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 16.1.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 16.1.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 16.1.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 16.1.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- 16.2 Quorum for general meetings
 - 16.2.1 No business shall be transacted at any general meeting (other than the appointment of the Chairman of the meeting) unless a quorum of Members is present at the time when the meeting proceeds to business. Subject to Section 318(1) of the Act, a quorum shall be two qualifying persons entitled to vote who are personally present or present by proxy, each being a qualifying person not excluded from counting towards a quorum under Section 318(2) of the Act), holding at least one half of the capital of the Company.
 - 16.2.2 If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Directors may determine but in the event of adjournment of a General Meeting on two consecutive occasions on account of there not being a quorum in accordance with the foregoing provisions written notice thereof shall be given forthwith to all of the members by or on behalf of the Directors and at the next adjournment thereafter a quorum shall be two persons personally present and holding or representing by proxy at least one quarter of the capital of the Company whose holders are entitled to be present and vote.
- 16.3 Chairing general meetings
 - 16.3.1 If the Directors have appointed a Chairman pursuant to Article 5.4, the Chairman shall chair general meetings if present and willing to do so.
 - 16.3.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-

16.3.2.1 the Directors present, or

16.3.2.2 (if no Directors are present), the Shareholders present,

shall appoint a Director or Shareholder to chair the meeting, and the appointment of the Chairman of the meeting shall be the first business of the meeting.

16.3.3 The person chairing a meeting in accordance with this Article is referred to as the **"Chairman of the Meeting"**.

16.4 Attendance and speaking by directors and non-shareholders

16.4.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

16.4.2 The Chairman of the Meeting may permit other persons who are not:-

16.4.2.1 Shareholders of the Company; or

16.4.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

16.5 Adjournment

16.5.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

16.5.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:-

16.5.2.1 the meeting consents to an adjournment, or

16.5.2.2 it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

16.5.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting.

16.5.4 When adjourning a general meeting, the Chairman of the meeting must:-

16.5.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

16.5.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

16.5.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear

days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-

16.5.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

16.5.5.2 containing the same information which such notice is required to contain.

16.5.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

17 VOTING AT GENERAL MEETINGS

17.1 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

17.2 Errors and disputes

17.2.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

17.2.2 Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

17.3 Poll votes

17.3.1 A poll on a resolution may be demanded:-

17.3.1.1 in advance of the general meeting where it is to be put to the vote, or

17.3.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

17.3.2 A poll may be demanded by:-

17.3.2.1 the Chairman of the Meeting;

17.3.2.2 the Directors;

17.3.2.3 two or more persons having the right to vote on the resolution; or

17.3.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

17.3.3 A demand for a poll may be withdrawn if:-

17.3.3.1 the poll has not yet been taken, and

17.3.3.2 the Chairman of the Meeting consents to the withdrawal.

17.3.4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

17.4 Content of proxy notices

17.4.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:-

17.4.1.1 states the name and address of the Shareholder appointing the proxy;

17.4.1.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;

17.4.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

17.4.1.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

17.4.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

17.4.3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

17.4.4 Unless a Proxy Notice indicates otherwise, it must be treated as:-

17.4.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

17.4.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

17.5 Delivery of proxy notices

17.5.1 A Proxy Notice must be delivered to the Company not less than 48 hours before the general meeting or adjourned meeting to which it relates.

17.5.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

17.5.3 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.

17.5.4 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

17.5.5 If a Proxy Notice or notice revoking a proxy appointment is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

17.6 Amendments to resolutions

17.6.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:-

17.6.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and

17.6.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

17.6.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:-

17.6.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

17.6.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

17.6.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

18 ADMINISTRATIVE ARRANGEMENTS

18.1 Means of communication to be used

18.1.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

18.1.2 Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

18.1.3 The times of deemed delivery of documents and information specified in Sections 1147(2) and 1147(3) of the Act shall be amended as follows:-

- 18.1.3.1 subject to the other requirements of Section 1147(2) of the Act, documents or information set by first class post to an address in the UK shall be deemed to have been received by the intended recipient 24 hours after it was posted;
- 18.1.3.2 subject to the other requirements of Section 1147(2) of the Act, documents or information set by second class post to an address in the UK shall be deemed to have been received by the intended recipient 48 hours after it was posted; and
- 18.1.3.3 subject to the other requirements of Section 1147(3) of the Act, documents or information sent or supplied by electronic means shall be deemed to have been received 24 hours after it was sent.

18.2 Company seals

- 18.2.1 Any common seal may only be used by the authority of the Directors.
- 18.2.2 The Directors may decide by what means and in what form any common seal is to be used.
- 18.2.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 18.2.4 For the purposes of this Article, an authorised person is:-
 - 18.2.4.1 any Director of the company;
 - 18.2.4.2 the Company secretary (if any); or
 - 18.2.4.3 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

18.3 No right to inspect accounts and other records

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

18.4 Provision for employees on cessation of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

19 DIRECTORS' INDEMNITY AND INSURANCE

19.1 Indemnity

- 19.1.1 Subject to Article 19.1.2, a Relevant Director of the Company or an Associated Company shall be entitled to be indemnified out of the

Company's assets to the fullest extent permitted by Sections 232, 233, 234 and 532 of the Act against:-

19.1.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an Associated Company,

19.1.1.2 any liability incurred by that Director in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

19.1.1.3 any other liability incurred by that Director as an officer of the Company or an Associated Company.

19.1.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

19.1.3 In this Article, a "**Relevant Director**" means any director or former director of the Company or an Associated Company:-

19.2 Insurance

19.2.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.

19.2.2 In this Article:-

19.2.2.1 a "**Relevant Director**" means any director or former director of the Company or an Associated Company,

19.2.2.2 a "**Relevant Loss**" means any loss or liability which has been or may be incurred by a Relevant Director in connection with that Director'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.