

THE COMPANIES ACT 2006

WRITTEN RECORD OF RESOLUTION OF THE SOLE MEMBER OF

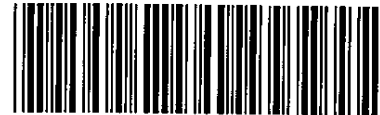
CREDENTIAL (ST ANDREWS) LIMITED

REGISTERED NUMBER: SC449562

CIRCULATION DATE: 14 AUGUST 2013

APPROVAL DATE: 14 AUGUST 2013

WEDNESDAY



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11/09/2013

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COMPANIES HOUSE

I, the undersigned, being a director of the above Company hereby note that:

- a. the following resolutions, such resolutions to have effect as either ordinary or special resolutions as indicated, was placed before the members of the Company in the form of a written resolution on 14 August 2013 (the "Circulation Date");

and

- b. the requisite level of consent required to approve the resolutions was obtained by the Company on 14 August 2013 (the "Approval Date") and therefore the resolutions were duly passed by members of the Company on that date.

SPECIAL RESOLUTION

- 1 THAT the draft articles of association in the form attached and marked "A" for identification purposes, be adopted as new articles of association of the Company in place of and to the exclusion of all other articles of association.

ORDINARY RESOLUTIONS

- 2 THAT the directors of the Company be and hereby are generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006 (the "Act") to allot relevant shares and grant rights to subscribe for, or to convert any security into shares in the Company on the basis that:

- 2.1.1 the maximum amount of the relevant securities to be allotted pursuant to this authority shall be:

2.1.1.1 5 Ordinary A shares of £1.00 each;

2.1.1.2 3 Ordinary B shares of £1.00 each, and

this authority shall expire, unless sooner revoked or varied, on the expiry of the period of five years from the date of the passing of this resolution, but provided that the directors may after such revocation, variation or expiry allot shares pursuant to an offer or agreement so to do made by the Company prior to such revocation or variation or expiry which the Company, by this authority, is allowed to make or enter into. This authority is in substitution for all subsisting authorities, to the extent unused.

- 3 THAT the director of the Company are hereby authorised to reclassify the existing one Ordinary share of £1.00, forming the entire issued share capital of the Company, as one Ordinary A share of £1.00.

IN RESPONSE TO A RESOLUTION OF THE HOUSE OF COMMONS PASSED ON 11th JULY 1966

BY THE SECRETARY OF STATE FOR THE ENVIRONMENT

IN THE HOUSE OF COMMONS

ON 11th JULY 1966

BY THE SECRETARY OF STATE FOR THE ENVIRONMENT

THE SECRETARY OF STATE FOR THE ENVIRONMENT

THE SECRETARY OF STATE FOR THE ENVIRONMENT

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SPECIAL RESOLUTION

- 4 **THAT** the directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 2 as if section 561(1) of the Act does not apply to such an allotment, on the basis that this power shall be limited to any allotment made pursuant to the authority conferred on the directors by resolution 2 above. This power shall cease to have effect when the authority conferred by resolution 2 above is revoked or (if not revoked) expires but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.



Director

‘A’

 Burness Paull

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CREDENTIAL (ST ANDREWS) LIMITED

(as adopted by Special Resolution passed on **14** August 2013)

INDEX

Clause No.	Heading	Page No.
1	INTERPRETATION	1
2	LIMITATION OF LIABILITY	7
3	DIRECTORS' POWERS AND RESPONSIBILITIES	7
4	DECISION MAKING BY DIRECTORS	8
5	DIRECTORS' MEETINGS	9
6	DIRECTOR'S INTERESTS	12
7	APPOINTMENT OF DIRECTORS	14
8	ALTERNATE DIRECTORS	16
9	SHARE CAPITAL	18
10	INCOME RIGHTS	18
11	CAPITAL RIGHTS	19
12	VOTING RIGHTS	19
13	SHARE RIGHTS	19
14	ISSUE OF SHARES	22
15	TRANSFER OF SHARES	24
16	PERMITTED TRANSFERS	27
17	TEMPORARY PROHIBITION ON VOLUNTARY TRANSFERS	28
18	PRE-EMPTION RIGHTS	28
19	DRAG ALONG RIGHTS	36
20	COMPULSORY TRANSFER ON DEFAULT	37
21	DIVIDENDS AND OTHER DISTRIBUTIONS	38
22	CAPITALISATION OF PROFITS	41
23	ORGANISATION OF GENERAL MEETINGS	42
24	VOTING AT GENERAL MEETINGS	45
25	ADMINISTRATIVE ARRANGEMENTS	48
26	INSURANCE AND INDEMNITY	49

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CREDENTIAL (ST ANDREWS) LIMITED

(as adopted by Special Resolution passed on 14 August 2013)

1 INTERPRETATION

1.1 Defined Terms

In these Articles, unless the context requires otherwise:

“A Director” means a director appointed by the A Ordinary Shareholder(s) and holding office pursuant to Article 7.2.2;

“A Ordinary Share” means an A ordinary share of £1.00 in the capital of the Company;

“A Shareholder” means a Holder of an A Ordinary Share;

“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;

“B Director” means a director appointed by the B Ordinary Shareholder(s) and holding office pursuant to Article 7.2.2;

“B Ordinary Share” means a B ordinary share of £1.00 in the capital of the Company;

“B Shareholder” means Holder of a B Ordinary Share;

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

“Beneficial Shareholder” means the person beneficially entitled to Shares held by a nominee or bare trustee on his behalf;

“the Business” means the business of developing, leasing and selling investment properties at the Property and such other business as the Shareholders may agree from time to time;

“Business Day” means a day (excluding Saturdays) on which banks generally are open in both Edinburgh and Glasgow for the transaction of normal banking business;

“Business Plan” means a rolling business plan for the Company relating to the then current financial year and four succeeding financial years to be updated annually, and reference to **“approved”** Business Plan is, for any financial year, a reference to such Business Plan;

“Capitalised Sum” has the meaning given to it in Article 22.1.1(b);

“Chairman” means the person appointed as chairman of the board of Directors in accordance with Article 5.4;

“Chairman of the meeting” has the meaning given in Article 23.3.3;

“company” includes any body corporate;

“Company Expenditure” means the aggregate amount of all construction costs, fees, expenses, VAT, tax, and all other amounts of whatever nature, payable by the Company in respect of the construction of the Development;

“Connected Person” means:

in relation to an individual:

- (a) that person’s spouse, child or step-child or adopted child;
- (b) a company of which that person is from time to time a director or with which that person is otherwise associated, and the subsidiaries from time to time of such a company, any holding company from time to time of such a company and every other company which, from time to time, is a subsidiary of the same ultimate holding company as such a company;
- (c) a trustee from time to time of a trust the beneficiaries of which include that person and/or his or her spouse, child, step-child or adopted child of that person; and
- (d) any employee or partner from time to time of that person;

in relation to a company:

- (a) that company's subsidiaries from time to time (other than the Company), any holding company from time to time of that company and every other company which, from time to time, is a subsidiary of the same ultimate holding company;
- (b) a director from time to time of that company or any other such company as is referred to in paragraph (a) above;
- (c) such a director's spouse, child, step-child or adopted child;
- (d) a company (other than the Company) of which such a director is from time to time a director or with which he or she is otherwise associated;
- (e) a trustee from time to time of a trust the beneficiaries of which include such a director and/or his or her spouse, child, step-child, adopted child or partner;
- (f) any employee or partner from time to time of such a director; and
- (g) to the extent that they are involved on behalf of a party, (a) a party's officers, employees, group undertakings, agents and advisers, (b) officers, employees, agents and advisers of a party's group undertakings, and (c) officers, employees and partners of any such agent or adviser or of any group undertaking of such an agent or adviser;

or such other person as shall be connected with another within the meaning of Sections 1122 and 1123 of the Corporation Tax Act 2010;

"Default Transfer Notice" has the meaning given in Article 21;

"Defaulting Shareholder" has the meaning given in Article 21;

"Development" means the development of the Property in accordance with the Business Plan, and a reference to the Development is to the whole or any part of the Development as the circumstances may require;

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

"Distributable Profits" means the profits available for distribution within the meaning of the Act and deemed to be distributed to the Shareholders in accordance with Clause 10 of the Shareholders' Agreement;

"Distribution Recipient" has the meaning given in Article 21.2.2;

"Drag Along Notice" has the meaning given to it in Article 19.1.1;

“Drag Along Price” has the meaning given in Article 19.1.3;

“Drag Along Right” has the meaning given in Article 19.1;

“Eligible Director” means a Director eligible to be counted in a quorum for a Directors’ meeting in respect of a particular matter and to vote on such matter to be considered at a Directors’ meeting;

“Event of Default” means, in respect of any Ordinary Shareholder, a breach by that Ordinary Shareholder of the terms of any Relevant Agreement which entitles one or more of the other parties thereto (i) to terminate such Relevant Agreement with respect to that Ordinary Shareholder and/or (ii) to require the giving of a Default Transfer Notice by such Ordinary Shareholder (**“enforcement action”**) and, in respect of which breach, enforcement action has been taken or where in relation to an Ordinary Shareholder a circumstance specified in these Articles has arisen where a Default Transfer Notice is deemed to be given;

“fair value” has the meaning given in Article 18.2;

“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 or credited as paid to the Company;

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

“holding company” means a holding company as defined in Section 1159 of the Companies Act and a company shall be treated for the purposes only of the membership requirement contained in sub-Sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) whether by way of security or in connection with the taking of security, or (b) its nominee;

“Member of Same Group” means, in relation to any company, a company which is for the time being the ultimate holding company of such company or a wholly-owned subsidiary of any such holding company;

“Ordinary Resolution” has the meaning given in Section 282 of the Act;

“Ordinary Shares” has the same meaning in Article 9;

“Ordinary Shareholder” means a Holder of Ordinary Shares, together with any former Holder of Ordinary Shares who has transferred its Ordinary Shares pursuant to Article 16;

“Permitted Transferee” means a transferee permitted under Article 16;

“Persons Entitled” has the meaning given in Article 22.1.1(b);

“Price” means the price for the sale of Shares as established pursuant to Article 18.2;

“Privileged Relation” means in relation to an individual member or deceased or former individual member the grandparents, parents, spouse or widow or widower of the member and all the lineal descendants of the member and for such purposes a stepchild or adopted child or illegitimate child shall be deemed to be a lineal descendant of such person;

“Property” means all and whole the subjects lying to the north east of Kinnessburn Road, St. Andrews being the whole subjects registered in the Land Register of Scotland under Title Number FFE77150 or such other property held by the Company from time to time;

“Proxy Notice” has the meaning given in Article 24.4;

“Relevant Agreement” means any agreement to which the Ordinary Shareholders (in their capacity as shareholders in the Company) are party relating to the business and affairs of the Company including for the avoidance of doubt, the Shareholders’ Agreement;

“Relevant Shares” means (so far as the same remain for the time being held by any Transferee Company or by any nominee or bare trustee) the Shares originally acquired by such Transferee Company or nominee or bare trustee and any additional Shares issued to such Transferee Company or nominee or bare trustee by way of capitalisation, sub-division or consolidation or acquired by such person in exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them or the membership thereby conferred;

“Shareholder” means a person who is the Holder of a Share;

“Shareholders’ Agreement” means the shareholders’ agreement among Credential Residential Developments Ltd, Jim Ryce, Alen Mitchell, Graeme Mitchell and the Company entered into upon the adoption of these Articles and as amended from time to time;

“Shares” means shares in the capital of the Company;

“Special Resolution” has the meaning given in Section 283 of the Act;

“subsidiary” means a subsidiary company as defined in Section 1159 of the Companies Act and a company shall be treated for the purposes only of the membership requirement contained in sub-Sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the

name of (a) another person (or its nominee) whether by way of security or in connection with the taking of security, or (b) its nominee;

“Taxes Act” means the Income and Corporation Taxes Act 1988;

“Transferee Company” means a company for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers of Shares between Members of the Same Group;

“Transferor Company” means a company (other than a Transferee Company) which has transferred or proposes to transfer Shares to a Member of the Same Group (and in the case of a series of transfers the relevant Transferor Company for the purposes of determining whether any company shall be or shall have ceased to be a Member of the Same Group shall be the first transferor in such series);

“Transfer Notice” has the meaning given in Article 18.1; and

“Transmittee” means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law.

1.2 Construction

- 1.2.1 References to a document being executed include references to its being executed under hand or under seal or by electronic signature or by any other method and references to a document or instrument include references to any information in visible form whether having physical substance or not.
- 1.2.2 References to writing include references to any visible substitute for writing, including by way of an electronic communication, and to anything partly in one visible form and partly in another visible form.
- 1.2.3 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).
- 1.2.4 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).
- 1.2.5 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.

1.2.6 Headings are inserted for convenience only and do not affect the construction of these Articles.

1.2.7 References to any Scottish legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any other legal concept shall, in respect of any jurisdiction other than Scotland, be deemed to include the legal concept which is most nearly approximates in that jurisdiction to the Scottish legal term.

1.3 These Articles exclude the model articles prescribed by the Companies (Model Articles) Regulations 2008.

2 LIMITATION OF LIABILITY

2.1 Liability of members

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

3 DIRECTORS' POWERS AND RESPONSIBILITIES

3.1 Directors' general authority

Subject to these Articles, the Directors are responsible for the management of the Company's business and the Directors 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 or actions.

3.2.2 No Special Resolution directing the Directors to take or refrain from taking a specified action or specified actions shall invalidate anything done by the Directors, before the passing of the Special Resolution, which would have otherwise be valid.

3.3 Directors may appoint agents

Subject to these Articles, the Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such terms and conditions as the Directors determine, including authority for the agent to delegate all or any of his powers and the Directors may at any time revoke any appointment in whole or in part.

3.4 Directors may delegate

- 3.4.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles to any committee consisting of one or more Directors or to any Director holding any executive office.
- 3.4.2 Unless the Directors specify otherwise, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated to any employee or agent of the Company.
- 3.4.3 Any delegation may be made subject to such terms and conditions as the Directors may specify and the Directors may at any time revoke any delegation in whole or part, or alter its terms and conditions.

3.5 Committees

The Directors may not adopt Committees. All decisions of the Company must be carried out by the Board.

3.6 Offices including the title "Director"

The Directors may appoint any person to any office or employment having a designation or title including the word "Director" or attach such a designation or title to any existing office or employment with the Company and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

3.7 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money without limit as to amount, upon such terms and in such manner as they think fit, and to grant any mortgage, charge or standard security over the undertaking, property and uncalled capital of the Company or any part thereof.

4 DECISION MAKING BY DIRECTORS

4.1 Directors to take decisions collectively

- 4.1.1 Any decision of the Directors must be either a decision at a meeting in accordance with Article 5 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 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 4.2 when all Eligible Directors unanimously agree on such a decision.
- 4.2.2 Such a decision shall take the form of a resolution in writing, a copy of which have been signed by each Eligible Director, or several copies of which has been signed by one or more Eligible Directors, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.2.3 References in these Articles 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 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting convened to consider the decision.

4.3 Records of decisions to be kept

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the relevant date of all proceedings at Directors' meetings and of committees of Directors (including the names of the Directors present at each such meeting) and of all decisions otherwise made or considered by Directors.

4.4 Directors' discretion to make further rules

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.

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 Notwithstanding the provisions of Article 5.1.1, unless otherwise determined in respect of each specified meeting by a majority of Directors, which majority includes sufficient number and (if appropriate) designation

of Directors to constitute a quorum for the business to be transacted at such specified meeting, Directors' meetings shall be held at least at quarterly intervals.

5.1.3 Notice of any Directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place;
- (c) the agenda of business to be transacted (together with, where practicable, all papers relating to the business to be considered); and
- (d) 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.

5.1.4 Save where urgent business arises and such period of notice is impracticable, a minimum of seven days notice of a Directors' meeting must be given to each Director and shall be in writing.

5.1.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice in writing of that meeting, by giving notice to that effect to the Company prior to the date of the meeting or not more than seven 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 Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with these Articles; and
- (b) 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 and Voting

- 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 Articles 5.3.3, 5.3.4 and 5.3.5, the minimum quorum necessary for the transaction of business at any Directors' meeting or of any committee of Directors shall be two Eligible Directors of which, one shall be an A Director.
- 5.3.3 The Shareholders may agree by unanimous resolution (which for the avoidance of doubt shall be deemed to include the provisions of any Relevant Agreement which provide that in certain circumstances A Directors or B Directors are not entitled to participate in Directors' meetings) to vary from time to time the quorum requirements set out in Article 5.3.2.
- 5.3.4 In the event that all of the A Directors or B Directors are excluded from being counted towards a quorum at a Directors' meeting, the minimum quorum necessary for the transaction of business at any such meeting shall be two Eligible Directors.
- 5.3.5 If there is only one Director, he may exercise all the powers and discretions conferred on Directors by these Articles.
- 5.3.6 In the event that all the A Directors or B Directors holding office do not participate in a properly constituted Directors' meeting then the A Directors or B Directors participating shall be entitled, respectively to cast such number of votes as if all the A Directors or B Directors (as relevant) had been participating in such meeting.

5.4 Chairing of Directors' meetings

- 5.4.1 The Chairman of the Director's meeting shall be an A Director.
- 5.4.2 The Directors may terminate the Chairman's appointment at any time.
- 5.4.3 If no Chairman is at that time appointed, or the Chairman is unwilling to preside at a meeting or the Chairman is not present within ten minutes of the time at which a Directors' meeting was to start, the Directors present shall appoint one of themselves to be the chairman of the meeting.

5.5 Chairman's casting vote

If the number of votes cast by Eligible Directors for and against a proposal at a Directors' meeting are equal, the Chairman or other Director chairing a Directors' meeting shall not have an additional casting vote.

6 DIRECTOR'S INTERESTS

6.1 Disclosure of Director's Interests

6.1.1 Subject to the provisions of the Act and provided he has in accordance with the Act disclosed to the Directors the nature and extent of any direct or indirect interest of his, a Director notwithstanding his office:

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is any way interested;
- (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may (and any firm or company or limited liability partnership of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) shall be entitled to vote and be counted in the quorum on any matter set out in this Article.

6.2 Director's Conflict 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, and subject always to their right to vary or terminate such authorisations) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director and without prejudice to Article (a) may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any Directors' meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

6.2.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 6.2 then:

- (a) the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- (b) the Director may absent himself from Directors' meetings at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- (c) the Director may make such arrangement as such Director thinks fit for Directors' meeting and committee papers to be received and read by a professional adviser on behalf of that Director.

6.2.3 A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Directors under Article 6.2 (subject always in any such case to any limits or conditions to which such approval was subject).

6.2.4 Article 6.2 is without prejudice to the operation of Article 6.1.

7 APPOINTMENT OF DIRECTORS

7.1 Number of Directors

The maximum number and minimum number respectively of the Directors may be determined from time to time by Special Resolution. Subject to and in default of any such determination, the maximum number of Directors shall be 5 and the minimum number of Directors shall be not less than two of whom at least one shall be an A Director and at least one shall be a B Director.

7.2 Appointment and Removal of a Director

7.2.1 No person shall be appointed as a Director other than in accordance with this Article 7.2.

7.2.2 The A Shareholders and the B Shareholders shall be entitled, each as a class, to appoint, in the case of the A Shareholders, up to 3 A Directors, and in the case of the B Shareholders, up to 2 B Directors, in each case in accordance with the procedure set out in Article 7.2.3, and, in each case, to remove any Directors so appointed by them, in accordance with those procedures.

7.2.3 Any appointment or removal pursuant to Article 7.2.2 shall be decided upon by the A Shareholders or the B Shareholders as appropriate by a written direction signed by A Shareholders, in the case of A Directors, or B Shareholders, in the case of B Directors, in each case holding all or (where there is more than one shareholder of such designation) a majority in nominal value of the issued Shares of the class concerned.

7.2.4 Any appointment or removal pursuant to Article 7.2.2 shall take effect upon delivery of the direction to the registered office of the Company or to a Directors' meeting or to the company secretary.

7.2.5 An A Director or a B Director shall continue to hold such office until he is either removed pursuant to this Article 7.2 or vacates office pursuant to Article 7.4.

7.3 Retirement by rotation

The Directors shall not be required to retire by rotation.

7.4 Termination of Director's appointment

7.4.1 Notwithstanding the terms of Article 7.2, a person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a Bankruptcy order is made against that person;
- (c) an arrangement or composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) 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;
- (e) 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; or
- (f) 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.

7.4.2 A body corporate ceases to be a Director as soon as:

- (a) an order is made by a court of competent jurisdiction, or a resolution is passed, for the winding up, liquidation, dissolution or administration of that Director (otherwise than in the course of a solvent reorganisation or restructuring); or
- (b) any step is taken (and not withdrawn within 30 days) to appoint a manager, receiver, administrative receiver, administrator, trustee or other similar officer to that Director; or
- (c) that Director convenes a meeting of its creditors or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors (otherwise than in the course of a solvent restructuring).

7.5 Directors' remuneration

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

7.5.2 Directors are entitled to such remuneration as the Directors determine:

- (a) for their services to the Company as Directors; and

(b) for any other service which they undertake for the Company.

7.5.3 A Director's remuneration may:

(a) take any form; and

(b) 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 (including a spouse and a former spouse).

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

7.5.5 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.

7.6 **Directors' expenses**

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

(a) meetings of Directors or committees of Directors;

(b) general meetings; or

(c) 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.

8 **ALTERNATE DIRECTORS**

8.1 **Appointment and removal of alternates**

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

(a) exercise that Director's powers; and

(b) carry out that Director's responsibilities,

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

8.1.2 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.

8.1.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

8.2 Rights and responsibilities of alternate director

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

8.2.2 Except as these Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors.

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

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

8.2.4 No alternate director may be counted as more than one Director for the purposes set out in Article 8.2.3.

8.2.5 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.

8.3 Termination of alternate directorship

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

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's Appointor;
- (d) when the alternate's Appointor's appointment as a Director terminates; or
- (e) if he resigns his office by notice in writing to the Company.

9 SHARE CAPITAL

- 9.1 The share capital of the Company shall consist of A ordinary shares of £1.00 each ("A Ordinary Shares") and B ordinary shares of £1.00 each ("B Ordinary Shares") (together "Ordinary Shares").
- 9.2 Except as otherwise provided in these Articles, the A Ordinary Shares and the B Ordinary Shares shall rank *pari passu* but shall constitute separate classes of shares.
- 9.3 The Company shall not issue shares that are to be redeemed or are to be liable to be redeemed at the option of the Company or the shareholder.

10 INCOME RIGHTS

- 10.1 The rights as regards income attaching to the A Ordinary Shares and the B Ordinary Shares shall be set out in this Article 10.
- 10.2 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 Ordinary Shareholders.
- 10.3 Every dividend shall be distributed to the Ordinary Shareholders as follows:
- 10.3.1 first, subject to Article 10.4, to the extent that Company Expenditure exceeds £1,139,000 (a "Cost Overrun"), an amount equal to the Cost Overrun shall be paid to the A Shareholders as a preference dividend (a "Cost Overrun Dividend") in priority to any dividend payable pursuant to Article 10.3.2; and

10.3.2 second, after the payment of any Cost Overrun Dividend payable under Article 10.3.1, every dividend shall be distributed to the Ordinary Shareholders from the profits of the Company available for distribution pro rata (as nearly as may be) according to the respective nominal amounts paid up or credited as paid up on the A Ordinary Shares and the B Ordinary Shares held by each of them respectively, as if the same constituted one class of Share.

10.4 A payment will only be made under Article 10.3.1 to the extent that a particular Cost Overrun amount has not already been accounted for by the payment of a Cost Overrun Dividend.

11 CAPITAL RIGHTS

11.1 The rights as regards return of capital or distribution of Proceeds on a Liquidity Event shall be set out as in this Article 11.

11.2 On a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied in the same proportions as a dividend would have been distributed to them.

12 VOTING RIGHTS

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 Ordinary Shareholder 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 Companies Act 2006 (not being himself a member) shall have one vote, and on a poll every Ordinary Shareholder present in person, by representative or by proxy shall have one vote for every Ordinary Share of which he is the Holder.

13 SHARE RIGHTS

13.1 All shares to be fully paid up

13.1.1 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.

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

13.2 Powers to issue different classes of share

- 13.2.1 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.
- 13.2.2 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 in such manner as may be determined by these Articles or as the Company may by Special Resolution determine.

13.3 Class Rights

Whenever the capital of the Company is divided into different classes of Shares the special rights attached to any class may be varied or abrogated only with the consent in writing of the Holders of 75 per cent in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the Holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply except that the necessary quorum shall be one person present in person or by proxy or, in the case of a corporate member, by a duly authorised representative (whenever there is only one Holder of that class) but where there are two or more Holders of that class the quorum shall be two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation (subject to Section 318(2) of the Act), together at least holding one third in nominal value of the issued Shares of the class (but so that, if at any adjourned meeting of such Holders a quorum as above defined is not present, the member who is present shall be a quorum) and that any Holder of Shares of the class present in person or by proxy or, in the case of a corporate member, by a duly authorised representative or by proxy may demand a poll.

13.4 Trusts may be recognised

Except as required by law or as otherwise provided by these Articles, the Company shall not be bound by or recognise any interest in a Share other than the Holder's absolute ownership of it and all the rights attaching to it. The Company shall, however, be entitled to register trustees as such in respect of any Shares.

13.5 Share certificates

- 13.5.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds and upon transferring a part of his holding of Shares of any class the Company shall issue to such Shareholder, free of charge, a certificate in respect of the balance of the Shares held.

13.5.2 Every certificate must specify:

- (a) in respect of how many Shares, of what class, it is issued;
- (b) the nominal value of those Shares; and
- (c) that the Shares are Fully Paid (with the exception of any Shares issued to the subscribers to the Company's memorandum, as nil or partly paid).

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

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

13.5.5 Certificates must:

- (a) have affixed to them the Company's common seal; or
- (b) be otherwise executed in accordance with the Act.

13.6 Replacement share certificates

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

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.

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

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

14 ISSUE OF SHARES

14.1 Allotment of Shares

The Directors are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to offer, allot, grant options over Ordinary Shares and/or rights to subscribe for or convert securities into Ordinary Shares or otherwise dispose of any Ordinary Shares up to an aggregate nominal value of £1,000 to such persons, at such times and for such consideration as the Directors may determine (subject to the terms of these Articles) but so that no Ordinary Share shall be issued in contravention of Section 553 of the Act. This authority shall, unless revoked or varied in accordance with Section 551 of the Act, expire five years from the date of the adoption of these Articles, 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.

14.2 Purchase of Own Shares

Subject to the provisions of the Act, the Company shall be entitled to make a purchase or redemption of its own shares out of cash, provided that the amount of cash used for such purchase or redemption shall not exceed the sum prescribed by law.

14.3 Procedure for Allotment of Shares

Shares shall only be allotted, whether for cash or otherwise, in accordance with the provisions of this Article or on such other terms as may be specified by Ordinary Resolution:

14.3.1 all Shares to be allotted (the “**Offer Shares**”) shall first be offered to the members of the Company in proportion, as nearly as may be, to their existing holdings of Shares of the class being allotted or, if Shares of such class have not previously been allotted, to their existing holdings of Ordinary Shares (the “**Initial Offer**”);

14.3.2 the Initial Offer shall be made by written notice (the “**Offer Notice**”) from the Directors specifying the number and price of the Offer Shares and the proportionate entitlement of the relevant member and shall invite each member to state in writing within a period not being less than 14 days whether they are willing to accept any Offer Shares and if so what the maximum number of the Offer Shares they are willing to accept is. In the event that a member does not so respond to the Offer Notice within the period prescribed in it, the Initial Offer shall be deemed to be declined by that member;

- 14.3.3 after the expiration of the time specified for acceptance in the Offer Notice, the Directors shall offer the Offer Shares which have been declined or are deemed to be declined to each of the members who shall have within the period specified in the Offer Notice expressed their willingness to purchase all of the Offer Shares offered to them (the "**Further Offer**"). Such Further Offer shall be made on the same terms as the Initial Offer and shall invite each such member to state in writing within a period not being less than 14 days whether they are willing to accept any, and if so what maximum number, of the Offer Shares so offered;
- 14.3.4 at the expiration of the time specified for acceptance in the Offer Notice or Further Offer (as applicable) the Directors shall allot the Offer Shares to or amongst the members who shall have notified to the Directors their willingness to take any of the Offer Shares but so that no member shall be obliged to take more than the maximum number of Shares notified by him under Article 14.3.2 and 14.3.3;
- 14.3.5 in the event of competition for any Offer Shares to which Article 14.3.3 applies then such Shares shall be allocated amongst the competing members pro rata to their holdings of the relevant Shares prior to commencement of the Initial Offer;
- 14.3.6 the Directors shall make such arrangements as they in their discretion shall think fit concerning entitlement to fractions of shares, overseas members and members unable by law or regulation to receive or accept any offer pursuant to this Article 14.3; and
- 14.3.7 no Shares shall be allotted or issued to any person who is not immediately prior to such allotment or issue an Ordinary Shareholder.

14.4 Disapplication of Section 561

In accordance with Section 570 of the Act, the provisions of Section 561 of the Act shall not apply to the Company.

14.5 No Renunciation of Allotment

No Shares shall be allotted on terms that the right to take up the Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a Share may direct that such Share may be allotted or issued to any other person.

14.6 Designation of Shares

Any Ordinary Share issued pursuant to this Article 14 to a member by reference to his holding of Ordinary Shares shall on issue be designated an Ordinary Share of the same class as the holding by reference to which such Ordinary Share is issued.

15 TRANSFER OF SHARES

15.1 Share transfers

15.1.1 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.

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

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

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

15.2 Transmission of Shares

15.2.1 Subject to the provisions of these Articles, if title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.

15.2.2 Subject to the provisions of these Articles, a Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require:

(a) may choose either to become the Holder of those Shares or to have them transferred to another person; and

(b) pending any transfer of the Shares to another person and subject to Article 15.2.3, has the same rights as the Holder had.

15.2.3 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.

15.3 Exercise of Transmittees' rights

- 15.3.1 Transmittees who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 15.3.2 If the Transmitttee wishes to have a Share transferred to another person or is required to transfer a Share to another person pursuant to the terms of these Articles, the Transmitttee must execute an instrument of transfer in respect of it.
- 15.3.3 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.

15.4 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.

15.5 Refusal to register

The Directors shall refuse to register any transfer of Shares in contravention of the provisions of these Articles but shall not otherwise be entitled to refuse to register any transfer of Shares, unless they have substantial reasons for believing that a transfer purportedly made in accordance with any such provision is not in fact in a material respect in accordance therewith, in which event they shall decline to register such transfer.

15.6 Disposal of whole interest only

Save as permitted pursuant to these Articles, no transfer, disposal, charge, mortgage, assignation or other dealing in any Share or any interest or right therein shall occur other than the transfer of the whole legal and beneficial interest in and to such Share, free from all liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof thereafter.

15.7 Attempted disposal of interest in Shares

If a member at any time attempts to deal with, or dispose of, a Share or any interest therein or right attaching thereto otherwise than in accordance with the provisions of these Articles or if a circumstance arises where a Transmitttee (who is not a person to whom Shares may be transferred in accordance with Article 16) becomes entitled to

a Share or any interest therein or right attaching thereto, he and any Permitted Transferee shall be deemed immediately prior to such attempt or on the circumstance arising (as relevant) to have given a Default Transfer Notice in respect of all Shares held by him and his Permitted Transferees and the provisions of Articles 17 and 19 shall apply accordingly.

15.8 Provision of information

For the purposes of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given or a Default Transfer Notice is deemed to have been given hereunder or for the purposes of ascertaining whether any relevant provisions of these Articles apply, the Directors may require any member, the representative of any member appointed pursuant to Section 323 of the Act, the receiver, administrator, administrative receiver or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration, to furnish the Directors with such information and evidence as the Directors think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question or (in a case where no transfer is in question) shall by notice in writing deem that a Default Transfer Notice be given in respect of the Shares concerned.

15.9 Transfers in security

A member may not enter into a deed of charge or similar arrangement involving or which may involve the transfer of Shares in security, without prior written consent of the other members. In the event of the member entering into such arrangement, without such approval, the member shall be deemed to have given a Default Transfer Notice immediately prior to such action and the provisions of Articles 17 and 19 shall apply accordingly.

15.10 Member to notify

If a member becomes aware of any event which is deemed to give rise, or may on determination by the Directors give rise, to an obligation to serve a Transfer Notice or circumstances whereupon a Default Transfer Notice shall be deemed to be given he shall forthwith give notice thereof to the Directors.

15.11 Receipt of deemed Default Transfer Notice

Where a Default Transfer Notice in respect of any Share is deemed to have been given under any provision of these Articles and the circumstances are such that the Directors are unaware of the facts giving rise to the same, such Default Transfer Notice shall be deemed to have been received by the Directors on the date on which

the Directors actually became aware of such facts and the provisions of Articles 17 and 19 shall apply accordingly.

15.12 Suspension of voting rights

The voting rights attached to any Share in respect of which a Transfer Notice shall be deemed or required to have been given (including a Default Transfer Notice) pursuant to these Articles shall forthwith be suspended until such time as the relevant Share shall have been transferred in accordance with these Articles or such time as the Directors shall have notified the member pursuant to Article 17 that they have no prospect of finding purchasers therefor. Any such suspension shall be ignored for the purpose of any calculation required for the determination of a Compulsory Purchase Interest.

15.13 Re-designation of Ordinary Shares

Whenever an A Ordinary Share or B Ordinary Share is transferred to a member holding only Shares of another class of Ordinary Shares such transferred share shall upon registration of the transfer be converted into and re-designated as a Share of the other class and any share certificate issued to the transferee shall take account of such conversion and re-designation.

16 PERMITTED TRANSFERS

16.1 Permitted transfers

All (but not some only) of the Shares held by a member may at any time be transferred without the giving of a Transfer Notice under Article 16 where the transfer is demonstrated to the reasonable satisfaction of the Directors, to be by any member being a Company to a Member of the Same Group as the Transferor Company.

16.2 Cessation of permitted transfer relationship

If following any transfer of Shares permitted pursuant to this Article 16 a Transferee Company ceases to be a Member of the Same Group as the Transferor Company in each case other than as permitted by or in accordance with the provisions of these Articles it shall be the duty of the relevant member and the former Holder(s) of the Relevant Shares to notify the Directors in writing that such event has occurred. If the Relevant Shares are not transferred within 30 days of the occurrence of such event to the original transferor of the Shares or some other person to whom that original transferor would be entitled to transfer the Shares pursuant to this Article 16 if it still held them then the Permitted Transferee shall be deemed to have given a Default Transfer Notice in respect of the Relevant Shares and the provisions of Articles 17 and 19 shall have effect, *mutatis mutandis*, to such Default Transfer

Notice with references to the Defaulting Shareholder being construed as references to the Permitted Transferee.

17 TEMPORARY PROHIBITION ON VOLUNTARY TRANSFERS

No B Ordinary Shares may be transferred other than to a Permitted Transferee or pursuant to a Default Transfer Notice without the consent in writing of the A Shareholders.

18 PRE-EMPTION RIGHTS

18.1 Transfer notice

Save as otherwise provided in these Articles, any member wishing to transfer part or all of the Shares held by him (the “**Transferor**”) shall first give a notice in writing (a “**Transfer Notice**”) to the Company specifying the number of Shares which the Transferor wishes to sell (the “**Sale Shares**”) and (if the Transferor wishes) the price per Share which the Transferor is willing to accept for the Sale Shares and, in the event that the Transferor shall have reached an agreement or an arrangement with a third party for a sale of the Sale Shares to such third party, the Transferor shall state in the notice the name of such third party, the price per Share at which the Sale Shares are proposed to be sold to such third party and all other material terms of the proposed transfer. A Transfer Notice which is deemed to be given or required to be given under the terms of these Articles (including a Default Transfer Notice) shall be in respect of all Shares held by the relevant Shareholder who is the Transferor, together with all Shares held by his Permitted Transferees. Transfer Notice and a Default Transfer Notice shall constitute the Company (acting through the Directors) as the agent of the Transferor for the sale of the Sale Shares at the Price (such price to be determined in accordance with the provisions of Article 18.2).

18.2 Determination of the price

18.2.1 The expression “**Price**” shall mean in respect of each Sale Share:

- (a) the price per Share (if any) specified in the Transfer Notice in accordance with the foregoing provisions; or
- (b) in the case of a Default Transfer Notice, the price shall be the nominal value of the Sale Shares; or
- (c) if:
 - (i) the relevant Transfer Notice does not name a purchaser and set out a price per Share at which the Sale Shares are proposed to be sold to him;

- (ii) a Transfer Notice is deemed or is required to be given;
- (iii) such named purchaser is a Connected Person of with the Transferor; or
- (iv) the terms on which such Sale Shares are to be sold to the named purchaser do not fully reflect the terms of the proposed transaction or are otherwise than a fixed cash sum payable in full on completion of the sale (for example, because the consideration is to be satisfied otherwise than in cash or because some deduction, consideration, rebate, allowance or arrangement is being made or is passing between the Transferor and the named purchaser in addition to the price per Share set out in the Transfer Notice),

such sum per Share as shall be agreed between the Transferor and the Directors or, failing agreement, within 14 days of the Transfer Notice being given or the Transfer Notice being deemed to be given, as shall be determined by an independent share valuation expert ("**Expert**") and in the case of a Transfer Notice being required to be given or deemed to have been given such costs shall be borne by the Transferor.

- 18.2.2 The Expert shall be appointed by agreement between the Transferor and the Directors ("**the parties**") or, failing agreement within 21 days of the Transfer Notice being given or being deemed to be given, by the President for the time being of the Institute of Chartered Accountants in Scotland on the application of any of the parties. The Transferor hereby irrevocably appoints any Director as its attorney to agree on his behalf the terms of the Expert's engagement in respect of his appointment as independent share valuation expert and to execute and deliver on his behalf all documentation necessary to effect the Expert's engagement including without prejudice to that generality any letter of engagement to be entered into with the Expert or the Expert's firm. The Expert shall state in writing his opinion of the fair value of the Sale Shares, as determined in accordance with this Article 19.2. In so stating his opinion the Expert shall be deemed to act as an expert and not as an arbitrator and, save in the case of fraud or manifest error, his determination shall be final and binding on all concerned. For this purpose the Expert shall be given by the Directors, all information which a prudent prospective purchaser might reasonably require if he were proposing to purchase the Sale Shares from a willing Seller by private treaty and at arm's length, together with such information as any member of the Company may wish to provide to him and such other information as he may reasonably require. The Expert shall be entitled to determine the procedure to be followed in arriving at this decision and to appoint legal or other advisers. The costs involved in the Expert's determination of the

Price (including the Expert's expenses and the costs of any advisers to the Expert) shall, in the absence of any determination by the Expert, be borne as to one half by the Transferor and as to the other half by the purchaser(s) (and as between the purchaser(s) pro rata to the number of Sale Shares purchased) and in the case of a Transfer Notice being required to be given or deemed to have been given such costs shall be borne by the Transferor.

18.2.3 The Expert shall be required to determine the Price within 45 days of his appointment and shall notify the Directors of his determination in writing without giving written reasons therefor.

18.2.4 The Expert shall value the Shares of the class being offered for sale at their "fair value". For these purposes, "fair value" is an estimate of the price a party would have received if it had sold all the Shares of the class being offered for sale on the date of the Transfer Notice in an arm's length exchange motivated by normal business considerations.

18.2.5 The Expert shall determine the "fair value" as follows:

- (a) The fair value shall not be adjusted to reflect expected costs that will be incurred in transferring the Sale Shares.
- (b) Taking into account the number of Shares in the Company under option and the likelihood of such options being exercisable as the Expert determines appropriate.
- (c) The valuation technique(s) selected to estimate fair value shall incorporate the factors that market participants would consider in setting a price including, but not limited to, any estimates and assumptions used.
- (d) Valuation techniques shall be consistent with accepted economic methodologies for pricing shares of this type. Present value calculations shall include cash flows and discount rates that are free from bias, mutually consistent and reflect the appropriate risk premium. Greater weight should be given to those valuation methodologies considered most appropriate to the particular circumstances of the Company.
- (e) The Expert shall rely on the following assumptions:
 - (i) the sale is between a willing seller and a willing purchaser;
 - (ii) the sale is taking place on the date of the Transfer Notice.

If any difficulty arises in determining the fair value then the Expert shall resolve that difficulty in such manner as he shall in his absolute discretion think fit.

18.2.6 The Expert shall then use the “fair value” of all the Shares of the class being offered for sale to obtain the “objective fair value” of the Sale Shares. The “objective fair value” of the Sale Shares shall be calculated as a pro rata proportion of the fair value of all the Shares of the class being offered for sale, not taking account of any particular circumstances of the transfer, for example not taking account of whether or not the Sale Shares represent a majority or minority of the Shares or of any restriction on the transferability of the Sale Shares.

18.3 **Total transfer provision**

A Transfer Notice once given shall not be revocable but, save for Shares sold pursuant to a Transfer Notice deemed or required to be given under these Articles (including a Default Transfer Notice), the Transfer Notice may contain a provision (a “**Total Transfer Provision**”) that unless all or a specified number of the Sale Shares are sold by the Company pursuant to this Article none shall be sold and the Transfer Notice shall in such circumstances be treated as withdrawn. Any such provision shall be binding on the Company.

18.4 **Withdrawal of Transfer Notice**

If an Expert is asked to certify the fair value as aforesaid his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall provide a certified copy of it to the Transferor and save for Shares sold pursuant to a Transfer Notice deemed or required to be given under these Articles (including a Default Transfer Notice) the Transferor shall be entitled, by notice in writing to the Company within seven days of the service upon him of the certified copy, to cancel the Company’s authority to sell the Sale Shares. In such circumstances the cost of obtaining the certificate shall be borne by the Transferor.

18.5 **More than one Transfer Notice**

In the event that more than one Transfer Notice is served, or deemed to be served (including a Default Transfer Notice), by a Transferor, an offer made pursuant to this Article 19 (if not accepted in respect of all Shares to which all of the Transfer Notices relate) may only be accepted in respect of the Shares comprised in each Transfer Notice according to the ratio which the aggregate number of Shares so accepted bears to the aggregate number of Shares comprised in all the Transfer Notices.

18.6 Offer of Sale Shares

Within 14 days of the date that the Transfer Notice is received by the Company or the date the Transfer Notice is deemed to have been given (including a Default Transfer Notice) or within 14 days after the Price of the Shares is determined pursuant to Article 18.2, whichever is the later, (and provided the Transfer Notice has not been withdrawn pursuant to Article 18.4) the Sale Shares shall be offered to the members of the Company (other than the Transferor) and the following provisions shall apply:

18.6.1 The Sale Shares shall be offered to the members (other than the Transferor) in a proportion which is as nearly as practicable equal to their existing holdings of Shares of the class being offered or, if no members hold such Shares, to their holdings of Ordinary Shares (calculated as at the date immediately prior to the date of the Members' Offer Notice, as defined below), without involving fractions. Such offer shall be made by notice in writing (the "**Members' Offer Notice**") which shall:

- (a) state the Price;
- (b) state the number of Sale Shares, the proportionate entitlement of each member and the method of calculating such entitlement;
- (c) state whether the Sale Shares are subject to a Total Transfer Provision and whether the Transfer Notice (including a Default Transfer Notice) relating to the Sale Shares was required or deemed to be given; and
- (d) invite each member to state in writing within a period being not less than 14 days nor more than 21 days after the date of the Members' Offer Notice whether they are willing to accept the Sale Shares offered to them and if so what the maximum number of such Sale Shares they are willing to take is. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and an offer shall to the extent that the same is not accepted within the aforementioned time limit be deemed to have been declined by any members who have not replied in writing and the offer to that particular member shall be treated as withdrawn by the Company.

18.6.2 Any Sale Shares which have not been accepted within the time period specified in Article (d) shall, within seven days of the expiry of the time period specified in Article (d), be offered by notice in writing at the Price to each of the members who have accepted all the Sale Shares initially offered to them (the "**Further Offer Members**"). Such notice shall invite the Further Offer Members to state in writing within a period of seven days whether they are willing to accept any Sale Shares and if so what the

maximum number of Sale Shares they are willing to take is. In the event of competition among the Further Offer Members for Sale Shares to which this Article 18.6.2 applies then such Shares shall be allocated amongst the competing Further Offer Members pro rata to their holdings of the relevant Shares calculated as at the date immediately prior to the date of the Members' Offer Notice.

18.7 Notification of Purchasers

If the Company shall find purchasers in respect of, any of the Sale Shares, within the relevant offer periods set out in Article 18.6, it shall not later than seven days after the expiry of the relevant offer periods set out in Article 18.6 give notice in writing thereof (the "Sale Notice") to the Transferor which notice shall provide:

- 18.7.1 the number of Sale Shares accepted and the name(s) and address(es) of the purchasers, together with the number of Shares purchased by each purchaser;
- 18.7.2 if the Transfer Notice contains a Total Transfer Provision, that the Transfer Notice is revocable by written notice to the Company being received within seven days of receipt of the Sale Notice (if not all the Sale Shares have been accepted); and
- 18.7.3 if the Transferor is entitled to do so and does not revoke his Transfer Notice in writing within the period specified Article 18.7.2 or if the Transferor is not entitled to revoke the Transfer Notice, that he shall be bound upon payment of the Price due in respect of all the Sale Shares to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to the purchaser or purchasers.

18.8 Completion of Purchase

Completion of the sale and purchase of Sale Shares pursuant to the Sale Notice shall take place on the fifth Business Day after the date of the Sale Notice, at 1200 hours at the registered office of the Company, or such other time and place as the Transferor and the purchaser(s) may agree. At completion:

- 18.8.1 the Transferor shall deliver to the person(s) purchasing the Sale Shares duly executed stock transfer form(s) together with the relative share certificates and a power of attorney in such form and in favour of such person as the person(s) purchasing may reasonably require to enable such person to exercise all rights of ownership in respect of the relevant Sale Shares including, without limitation, the voting rights attaching thereto;

- 18.8.2 against such delivery, the person(s) purchasing Sale Shares shall pay the Price per Sale Share by electronic transfer for value on the day of completion to an account notified to the purchaser(s) by the Transferor;
- 18.8.3 the Transferor shall do all such other things and execute all such other documents as the person(s) buying may reasonably require in order to give effect to the sale and purchase of the relevant Sale Shares;
- 18.8.4 any Sale Shares sold pursuant to this Article shall be transferred free from any claims, liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof; and
- 18.8.5 subject to compliance with the provisions of this Article 18.8 and payment of any relevant stamp duties, the purchaser(s) shall be registered as the Holder(s) of the relevant Sale Shares in the register of members of the Company and a share certificate in the name of such purchaser(s) and in respect of the relevant Sale Shares shall be delivered to the relevant purchaser(s).

18.9 Purchasers not found for the Sale Shares

- 18.9.1 If the Company shall not find purchasing member(s) for all of the Sale Shares within the relevant time periods specified in Article 18.6, or if through no default of the Transferor the purchase of any of the Sale Shares is not completed within the time period specified in Article 18.7, the Transferor shall be at liberty at any time within three months after the expiry of such relevant time period to transfer such of the Sale Shares as were not sold or in respect of which the sale was not completed as aforesaid or, in any case where the Transfer Notice contained a Total Transfer Provision which is not revoked, all of the Sale Shares to any person by way of a bona fide sale at the Price or any higher price and otherwise on the terms set out in the Sale Notice. If the Sale Shares were the subject of a Total Transfer Provision, such a sale may only comprise all of the Sale Shares and not part only.
- 18.9.2 The Transferor shall give written notice to the Directors of its intention to dispose of the Sale Shares, the identity of the proposed transferee, its business and the price agreed to be paid for the Sale Shares, on month prior to such intended disposal. The Directors shall within seven days of receipt of such notice notify the other members of the Company of the details of the intended disposal.
- 18.9.3 If within 14 days of the receipt of the notice any of the other members of the Company informs the Transferor and the Directors in writing that in its reasonable opinion the proposed transferee is a competitor of the

Company, the Transferor shall again offer the Sale Shares to the other members of the Company at the same price as agreed with the proposed transferee and the other members of the Company shall have ten Business Days from the date of the offer to accept it. If the offer is not accepted in full the Transferor may dispose of the Sale Shares to the proposed transferee, and on the terms, notified as above.

- 18.9.4 For these purposes a “**competitor of the Company**” means any person, firm, company, or undertaking which carries on either alone or jointly with, through (which includes by ownership of any shares, and direct or indirect control) or on behalf of (whether as director, partner, consultant, manager, employee, agent or otherwise) any person, directly or indirectly a business similar to that carried on by the Company. Any dispute as to whether a proposed transferee is a competitor of the Company shall be referred for final resolution to an independent expert appointed by agreement between the Transferor and the other members of the Company or in default of agreement within 30 days of receipt of the other members of the Company’s notice by the President for time being of the Law Society of Scotland upon the application of either the Transferor or the other members of the Company. The costs of the expert shall be borne by the Transferor and the other members of the Company.
- 18.9.5 The Directors may require to be satisfied that the Sale Shares are being transferred pursuant to a *bona fide* sale upon the material terms and for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer.
- 18.9.6 The provisions of this Article 18.9 shall not apply in the case of a Transfer Notice deemed or required to be given under the terms of these Articles, including a Default Transfer Notice.

18.10 **Failure to transfer**

If the Transferor, after becoming bound to transfer any Sale Shares to a purchaser(s), shall make default in so doing or shall fail to deliver a share certificate(s) in respect thereof (or, if applicable, an indemnity in respect of a lost share certificate(s)) within the time limit referred to in Article 18.7 the Directors shall authorise some person to execute and deliver on the Transferor’s behalf transfer(s) of the Sale Shares in favour of the purchaser(s) and shall receive the purchase money and thereupon shall, subject to such transfer(s) being duly stamped, enter the names of the purchaser(s) in the register of members as the Holder(s) of the relevant Sale Shares. The Transferor shall in such case be bound to deliver up his certificate for the Sale Shares to the Directors whereupon the Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Transferor but without interest. If such certificate(s) shall comprise any Share which the Transferor

has not become bound to transfer as aforesaid the Company shall issue to the Transferor a certificate for the balance of such Shares. The receipt by the Company of the purchase money shall be a good discharge to the purchaser(s) who shall not be bound to see the application thereof and after the name of the purchaser(s) has been entered on the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

19 **DRAG ALONG RIGHTS**

19.1 Notwithstanding any other provision in these Articles, the holders of majority of the Ordinary Shares (the **"Selling Shareholders"**) shall have the right (the **"Drag Along Right"**) to require all of the other shareholders (the **"Called Shareholders"**) to transfer all of the shares in the capital of the Company held by the Called Shareholders to any person (the **"Third Party"**) to whom the Selling Shareholders have agreed to transfer all of their shares (the **"Transfer Shares"**) in a bona fide transaction at arm's length (provided such Third Party is not an Affiliate) or as the Third Party directs in accordance with the following provisions:

19.1.1 the Drag Along Right may be exercised by the Selling Shareholders serving notice to that effect (the **"Drag Along Notice"**) on the Called Shareholders specifying that each Called Shareholder is required to transfer his Shares (the **"Called Shares"**) pursuant to this Article 19; and

19.1.2 a Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Selling Shareholder does not transfer the Transfer Shares to the Third Party within 45 days from the date of the Drag Along Notice.

19.1.3 the Called Shareholders shall only be obliged to sell the Called Shares on terms that they be entitled to receive for their holding of Shares a consideration (the **"Drag Along Price"**) equal in value to an amount for each Share equal to the price per share payable to the Selling Shareholder by the Third Party for the Transfer Shares, which price shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Third Party for the Transfer which, having regard to the substance of the transaction as a whole, does not objectively constitute an addition to the price so paid or payable PROVIDED THAT for the avoidance of doubt this Article 19 shall not be construed as requiring the Called Shareholders to give any representations, indemnities or warranties more onerous than the representations, indemnities or warranties being given by the Selling Shareholder and any liability of the Called Shareholder in relation to any claim made by a Third Party in connection with the Transfer shall be proportionate to the Shares being transferred by the Called Shareholder to such Third Party in connection with the Transfer. The value of any non-cash consideration, or cash consideration payable on deferred terms, for any Called Shares, shall be determined by the an independent accountant

(the **"Independent Accountant"**) who shall, if so requested by the Directors, certify that value as at the date of completion of the purchase of the Called Shares. Such determination by the Independent Accountant shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of the Called Shares. The costs of the Independent Accountant shall be borne by the Company;

- 19.2 upon the exercise of the Drag Along Right in accordance with this Article, each of the Called Shareholders shall be bound to sell their respective Called Shares for the Drag Along Price and otherwise in accordance with this Article 19;
- 19.3 completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholder to the Called Shareholders in the Drag Along Notice save that:
 - 19.3.1 the Selling Shareholder may not specify a date that is less than 14 days after the date of the Drag Along Notice; and
 - 19.3.2 the date so specified by the Selling Shareholder shall be the same date as the date proposed for completion of the sale of the Transfer Shares;
 - 19.3.3 unless, in the case of the sale by any particular Called Shareholder, that Called Shareholder and the Selling Shareholder otherwise agree; and
 - 19.3.4 in the event that any Called Shareholder fails to carry out the sale of any of the Called Shares in accordance with this Article 19, the Directors may authorise some person to execute a transfer of the Called Shares to a Third Party (or as it may direct) and the Company may give a good receipt for the purchase price of such Called Shares and may register the Third Party (or as it may direct) as holder thereof and issue to it (or as it may direct) certificates for the same whereupon the Third Party (or the person directed by the Third Party) shall be indefeasibly entitled thereto. The Called Shareholder shall in such case be bound to deliver up its certificate for the Called Shares to the Company whereupon the Called Shareholder shall be entitled to receive the Drag Along Price which shall in the meantime be held by the Company on trust for the Called Shareholder but without interest. If such certificate shall comprise any shares which the Called Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Called Shareholder a balance certificate for such shares.

20 **COMPULSORY TRANSFER ON DEFAULT**

Without prejudice to its obligations hereunder, if the Company receives notice from any Ordinary Shareholder that an Event of Default has occurred in relation to another Ordinary Shareholder (the **"Defaulting Shareholder"**) and such notifying Ordinary Shareholder requires that the Defaulting Shareholder and/or any Permitted

Transferee of the Defaulting Shareholder makes an offer to sell his Shares, the Defaulting Shareholder and his Permitted Transferees shall be deemed immediately to give a Transfer Notice (a “**Default Transfer Notice**”). The offer of Shares pursuant to the Default Transfer Notice shall without prejudice to any other rights and remedies the other Ordinary Shareholders may have against the Defaulting Shareholder. The Company shall notify the Ordinary Shareholders that the requirement to give a Default Transfer Notice has arisen as soon as practicable after having become aware of the same.

21 DIVIDENDS AND OTHER DISTRIBUTIONS

21.1 Procedure for declaring dividends

- 21.1.1 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.
- 21.1.2 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.
- 21.1.3 No dividend may be declared or paid unless it is in accordance with Shareholders’ respective rights.
- 21.1.4 Unless the terms on which Shares are issued specify otherwise, dividends 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.
- 21.1.5 If the Company’s share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 21.1.6 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.
- 21.1.7 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.

21.2 Payment of dividends and other distributions

- 21.2.1 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:

- (a) transfer to a bank or building society account specified by the Distribution Recipient in writing;
- (b) 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;
- (c) 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
- (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

21.2.2 In these Articles, "**Distribution Recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable:

- (a) the Holder of the Share; or
- (b) if the Share has two or more joint Holders, whichever of them is named first in the register of members.

21.3 No interest on distributions

The Company shall not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by the terms on which the Share was issued.

21.4 Unclaimed distributions

21.4.1 All dividends or other sums which are:

- (a) payable in respect of Shares; and
- (b) unclaimed after having been declared or become payable,

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

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

21.4.3 If:

(a) 12 years have passed from the date on which a dividend or other sum became due for payment; and

(b) 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.

21.5 Non-cash distributions

21.5.1 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).

21.5.2 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:

(a) fixing the value of any assets;

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

(c) vesting any assets in trustees.

21.6 Waiver of distributions

21.6.1 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:

(a) the Share has more than one Holder; or

(b) 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.

22 CAPITALISATION OF PROFITS

22.1 Authority to capitalise and appropriation of capitalised sums

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

- (a) 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
- (b) appropriate any sum which they so decide to capitalise ("**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.

22.1.2 Capitalised Sums must be applied:

- (a) on behalf of the Persons Entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

22.1.3 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.

22.1.4 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.

22.1.5 Subject to these Articles, the Directors may:

- (a) apply Capitalised Sums in accordance with Articles 22.1.3 and 22.1.4 partly in one way and partly in another;
- (b) 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
- (c) 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.

23 ORGANISATION OF GENERAL MEETINGS

23.1 Attendance and speaking at general meetings

23.1.1 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 and such person can speak to and be heard by all those attending the meeting simultaneously.

23.1.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) 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.

23.1.3 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.

23.1.4 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.

23.1.5 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.

23.2 Quorum for general meetings

23.2.1 No business other than the appointment of the Chairman of the meeting shall be transacted at any general meeting unless a quorum is present. Subject to Section 318(1) of the Act, two qualifying persons entitled to vote upon the business to be transacted, each being a qualifying person not excluded from counting towards a quorum under Section 318(2) of the Act), shall be a quorum provided that (other than in circumstances where under any Relevant Agreement any Ordinary Shareholder is not entitled to attend a general meeting of the Company) at least one such person is an A Ordinary Shareholder and one such person is a B Ordinary Shareholder (or, in either case, a proxy or representative of such Ordinary Shareholder, respectively).

- 23.2.2 If a quorum is not present within half an hour from the time appointed for a general meeting, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor, the member present shall be a quorum.

23.3 Chairing general meetings

- 23.3.1 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.

- 23.3.2 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:

- (a) the Directors present; or
- (b) 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.

- 23.3.3 The person chairing a meeting in accordance with this Article is referred to as the “**Chairman of the meeting**”.

23.4 Attendance and speaking by Directors and non-Shareholders

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

- 23.4.2 The Chairman of the meeting may permit other persons who are not:

- (a) Shareholders; or
- (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

23.5 Adjournment

- 23.5.1 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.

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

- (a) the meeting consents to an adjournment; or
- (b) 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.

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

23.5.4 When adjourning a general meeting, the Chairman of the meeting must:

- (a) 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
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

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

- (a) to the same persons to whom notice of the Company's general meetings is required to be given; and
- (b) containing the same information which such notice is required to contain.

23.5.6 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.

24 VOTING AT GENERAL MEETINGS

24.1 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.

24.2 Errors and disputes

24.2.1 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.

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

24.3 Poll votes

24.3.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) 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.

24.3.2 A poll may be demanded by:

- (a) the Chairman of the meeting;
- (b) the Directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) 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.

24.3.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the Chairman of the meeting consents to the withdrawal.

- 24.3.4 Polls must be taken immediately and in such manner as the Chairman of the meeting directs.

24.4 Content of Proxy Notices

- 24.4.1 Proxies may only validly be appointed by a notice in writing (“a **Proxy Notice**”) which:
- (a) states the name and address of the Shareholder appointing the proxy;
 - (b) identifies the person appointed to be that Shareholder’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - (d) 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.
- 24.4.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 24.4.3 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.
- 24.4.4 Unless a Proxy Notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any amendment to a resolution and on ancillary or procedural resolutions put to the meeting; and
 - (b) 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.

24.5 Delivery of Proxy Notices

- 24.5.1 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.
- 24.5.2 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.

- 24.5.3 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.
- 24.5.4 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.
- 24.5.5 If a Proxy Notice or a 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.

24.6 Amendments to resolutions

- 24.6.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
 - (a) 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
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.
- 24.6.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:
 - (a) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 24.6.3 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.

24.7 Records of members

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the relevant date of all proceedings at general meetings of the Company.

25 ADMINISTRATIVE ARRANGEMENTS

25.1 Means of communication to be used

- 25.1.1 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 the Act to be sent or supplied by or to the Company.
- 25.1.2 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.
- 25.1.3 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:
 - (a) 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;
 - (b) 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
 - (c) 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.

25.2 Company seals

- 25.2.1 Any common seal may only be used by the authority of the Directors.
- 25.2.2 The Directors may decide by what means and in what form any common seal is to be used.
- 25.2.3 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.
- 25.2.4 For the purposes of this Article, an authorised person is:
 - (a) any Director of the Company;

(b) the Company secretary (if any); or

(c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

25.3 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.

25.4 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.

26 INSURANCE AND INDEMNITY

26.1 Insurance

Without prejudice to the provisions of Article 26.2, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

26.1.1 a Director, officer or employee of the Company or any Associated Company; or

26.1.2 a trustee of any pension fund in which employees of the Company or any Associated Company is or has been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

26.2 Indemnity

26.2.1 Every Director or other officer or auditor of the Company or any Associated Company shall be entitled, if determined by the Directors and to the extent so determined by the Directors, to be indemnified out of the assets of the Company to the fullest extent permitted by Sections 232, 233, 234 and 532 of the Act against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in

relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 661 or Section 1157 of the Act in which relief is granted to him by the court and such indemnity shall extend (if so determined) to former Directors, other officers and auditors of the Company or of any Associated Company. Subject to Article 26.2.4 no Director, former director or other officer or former officer shall be liable for any loss, damage or misfortune which shall happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

- 26.2.2 The Directors shall have power in accordance with Section 233 of the Act to purchase and maintain for any Director or former director or other officer or former officer of the Company or of any Associated Company insurance against any such liability as is referred to in Section 232 of the Act.
- 26.2.3 The Company is authorised to enter into a loan arrangement with a Director, former director or other officer or former officer of the Company or of any Associated Company, but only on terms that comply in full with Section 205 of the Act, to enable that Director, former director or other officer or former officer to meet any liability incurred in defending such proceedings or making such application for relief as that liability is incurred.
- 26.2.4 This Article 26 shall only have effect to the extent that its provisions are not avoided by Section 232, 233, 234 and 532 of the Act.