

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

IMPAQ TECHNOLOGIES LIMITED ("Company") (company number SC614596)

INTRODUCTION

1. INTERPRETATION

1.1 In these articles, unless the context otherwise requires:

Accepting Shareholder has the meaning given at article 24.5;

Act means the Companies Act 2006;

Acting in Concert has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

Available Profits has profits available for distribution within the meaning of the Act;

appointor has the meaning given in article 11.1;

Articles means the company's articles of association for the time being in force;

Bad Leaver means an Employee who becomes a Departing Employee within five years of (but excluding) the date of adoption of these Articles by reason of:

- (a) voluntary termination by the person of his employment other than by reason of constructive dismissal or natural expiry of his contract of employment or as a result of death, serious illness or serious injury or incapacity; or
- (b) a dismissal by his employer which is not an Excluded Dismissal;

Board means the board of directors of the company, from time to time;

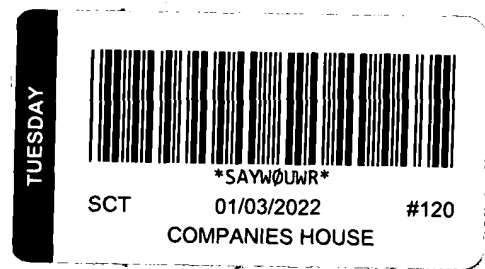
Business Day means any day (other than a Saturday, Sunday or public holiday in Scotland) on which clearing banks in Aberdeen are generally open for business;

Called Shareholders has the meaning given at article 23.1;

Called Shares has the meaning given at article 23.2(a);

Completion Date has the meaning given in article 23.6;

Conflict has the meaning given in article 8.1;



Continuing Shareholders has the meaning given in article 19.1 and **Continuing Shareholder** means any of them;

Controlling Interest means an interest in shares giving to the holder or holders control of the company within the meaning of section 1124 of the Corporation Tax Act 2010;

Departing Employee means an Employee who ceases to be an employee of any Group Company and who does not continue as, or become, an employee of any Group Company;

Drag Along Notice has the meaning given at article 23.2;

Drag Along Option has the meaning given at article 23.1;

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

Employee means an individual who is, or has been, an employee of, or who does provide or has provided consultancy services to, any Group Company;

Excess Securities has the meaning given in article 17.2(b);

Excluded Dismissal means a dismissal by the Company which is:

- (a) by reason of redundancy;
- (b) found by an employment tribunal, from which there is no right of appeal, to have been an unfair dismissal;
- (c) by reason of illness, injury, death or mental incapacity of the Departing Employee;
- (d) by service of notice on the Departing Employee terminating the Departing Employee's employment save in case of summary notice following any breach by the Departing Employee of his contract of employment;

Fair Value has the meaning given in article 22;

Financial Conduct Authority means the Financial Conduct Authority or any body with responsibility under legislation replacing the FSMA for carrying out regulatory actions;

FSMA means the Financial Services and Markets Act 2000;

Good Leaver means an Employee who becomes a Departing Employee who is not a Bad Leaver;

Group means the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company** shall be construed accordingly;

Interested Director has the meaning given in article 8.1;

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

Offer has the meaning given at article 24.2;

Offer Notice has the meaning given at article 24.3;

Offer Period has the meaning given at article 24.3;

Offer Shares has the meaning given at article 24.3(d);

Ordinary Shareholder means a Shareholder who holds Ordinary Shares;

Ordinary Shares means ordinary shares of £1.00 each in the share capital of the Company;

OWS means Ocean Work Systems Limited, incorporated and registered in Scotland with company number SC279560 whose registered office is at Terryvale House, Dunecht, Westhill, Aberdeenshire, AB32 7BS;

Proposed Buyer has the meaning given at article 23.1;

Proposed Transfer has the meaning given at article 24.1;

Price Notice has the meaning given in article 19.3;

Sale Date has the meaning given at article 24.3;

Sale Price means the Specified Price or, following service of a Price Notice, the price per Sale Share determined in accordance with article 19.3;

Sale Shares has the meaning given at article 19.1;

Seller has the meaning given at article 19.1;

Seller's Shares has the meaning given at article 23.1;

Selling Shareholder has the meaning given at article 23.1;

shareholder means a shareholder of the company, together with their respective successors and assignees, and **shareholders** means all of them together;

Shareholders Agreement means the shareholders agreement entered into by the Company and the shareholders on or around the date hereof;

Shares means shares (of any class) in the capital of the Company and **Share** shall be construed accordingly.

Specified Price has the meaning given at article 19.1;

Tag Along Buyer has the meaning given at article 24.1;

Transfer Notice has the meaning given at article 19.1;

Valuers means an independent firm of accountants appointed by the Board or, if the appointment of an independent firm of accountants is not approved by the Board within ten (10) business days of the expiry of the ten (10) business day period following service of a Price Notice, an independent firm of accountants appointed, and whose terms of

appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of Scotland (in each case acting as an expert and not as an arbiter) on application by the Seller or any of the Continuing Shareholders or the Company or any of the Continuing Original Shareholders (as the case may be);

- 1.2 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these articles.
- 1.3 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles.
- 1.4 A reference in these articles to an **article** is a reference to the relevant article of these articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159 (1) (b) and (c), a company shall be treated 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), by way of security or in connection with the taking of security; or
 - (b) its nominee.
- 1.8 Words in the singular include the plural and vice versa and a reference to one gender includes a reference to all other genders.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these articles.
- 1.10 Articles 8, 9 (1) and (3), 11(2) and (3), 12, 13, 14(1), (2), (3) and (4), 17(2), 18(e), 26(5), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by (a) the insertion of the words “for the time being” at the end of article 7(2)(a), and (b) the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.

- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors) and the secretary” before the words “properly incur”.
- 1.13 In article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 1.14 Article 26(5) of the Model Articles shall be amended by the insertion of the words “in their absolute discretion” before the words “may refuse”.
- 1.15 Article 27(3) of the Model Articles shall be amended by the insertion of the words “, subject to article 10,” after the word “But”.
- 1.16 Article 29 of the Model Articles shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2),” after the words “the transmittee’s name”.

DIRECTORS

2. UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. DIRECTORS MEETINGS AND CALLING A DIRECTORS’ MEETING

- 3.1 Meetings of the directors’ shall take place at least once every three calendar months.
- 3.2 Any director may call a directors’ meeting by giving not less than seven Business Days’ notice of the meeting (or such shorter period of notice as agreed in writing by all directors of the Company) to each director or by authorising the Company Secretary (if any) to give such notice.
- 3.3 Notice of the directors’ meeting shall be accompanied by:
 - (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (b) copies of any papers to be discussed at the meeting.
- 3.4 Notice of the directors meeting shall be given to each director, but need not be in writing.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to articles 4.2 and article 4.3, the quorum for the transaction of business at a meeting of directors is any two eligible directors, one of whom must be appointed by OWS pursuant to the terms of the Shareholders Agreement.
- 4.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 4.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a director's conflict, the quorum for such meeting (or part of a meeting) shall be such number of eligible directors.
- 4.4 If the total number of directors in office for the time being is less than the quorum, the directors must not take any decision other than a decision:
- (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 OWS shall have the right, for so long as they hold at least 50% of the Ordinary Shares in issue from time to time, to appoint and maintain two natural persons in office as directors of the Company.
- 5.2 If a shareholder, who is an individual, no longer holds at least 5% of the Ordinary Shares in issue from time to time in the Company, he shall immediately resign as a director of the Company and shall sign a letter(s) of resignation to that effect.

6. CASTING VOTE

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

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8. DIRECTORS' CONFLICTS OF INTEREST

- 8.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 8.2 Any authorisation under this article 8 will be effective only if:
 - (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these articles;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interest director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):
 - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

8.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

8.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9. RECORDS OF DECISIONS TO BE KEPT

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

10. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have been made bankrupt (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any director (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.

11.2 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.

11.3 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.

12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

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

12.2 Except as the 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

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

12.3 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 present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of articles 12.3(a) and (b).

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

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

13. TERMINATION OF ALTERNATE DIRECTORSHIP

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; or
- (d) when the alternate's appointor's appointment as a director terminates.

14. SECRETARY

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

SHARES

15. SHARE CAPITAL

- 15.1 Every holder of a Share shall be entitled to receive notice of, attend and speak at any general meeting of the Company and such holder who is present in person or by proxy shall, on a show of hands, have one vote, and on a poll, have one vote for each Share held.

16. PURCHASE OF OWN SHARES

- 16.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of;

- (a) £15,000; and
- (b) the value of 5% of the Company's share capital.

17. FURTHER ISSUE OF SHARES: PRE-EMPTION RIGHTS

- 17.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company.

- 17.2 If the company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all Ordinary Shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being, or are to be, offered to other persons on a pari passu basis and pro rata to the number of shares held by those Ordinary Shareholders (as nearly as possible without involving fractions). The offer:
- (a) shall be in writing, shall be open for acceptance for a period of ten (10) business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
 - (b) may stipulate that any Ordinary Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 17.3 Any equity securities not accepted by the Ordinary Shareholders pursuant to the offer made to them in accordance with article 17.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 17.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to the Ordinary Shareholders in accordance with article 17.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the Board may determine, at the same price and on the same terms as the offer to the Ordinary Shareholders, provided that such issue is completed within twenty (20) business days after the company's notice of the offer.
- 17.4 Subject to articles 17.2, 17.3, 17.5 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 17.5 The authority referred to in article 17.4:
- (a) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
 - (b) may only be exercised for a period of five years from the date of adoption of these Articles save that, subject to these Articles, the Directors may make an offer or agreement which would, or might require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).
- 17.6 The Board, as a condition to the registration of any issued Shares, shall require any person that is not, immediately prior to completion of the issue of shares in question, a party to any shareholders' agreement for the time being in force and relating to the Company, to execute and deliver to the Company a deed, in favour of the Company and/or the remaining shareholders of the Company, agreeing to be bound by the terms of any such shareholders' agreement, in such form as the Board may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the other shareholders in the Company). If any condition is imposed in accordance with this article 17.6 the issue of

shares may not be registered unless and until that deed has been delivered to the Company's registered office.

18. SHARE TRANSFERS: GENERAL

- 18.1 In these Articles, reference to the transfer of a share includes the transfer, assignation or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that Share, and reference to a share includes a beneficial or other interest in a Share.
- 18.2 No Share will be transferred, and the directors shall refuse to register a transfer of any Share, unless the transfer is made in accordance with these Articles. Subject to article 18.4, the directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 18.3 If a shareholder transfers (or purports to transfer) a share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all shares held by him.
- 18.4 The directors shall, as a condition to the registration of any transfer of shares in the Company (whether a Permitted Transfer or otherwise) require the transferee to execute and deliver to the Company a deed in favour of the Company and/or the remaining shareholders of the Company under which the transferee agrees to be bound by the terms of any shareholders' agreement for the time being in force and relating to the Company in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 18.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 18.5 Any Transfer Notice (but not an Offer Notice (as defined in article 24) or a Drag Along Notice (as defined in Article 23)) served in respect of the transfer of any shares which has not completed before the date of service of a deemed Transfer Notice shall automatically be revoked by the service of the deemed Transfer Notice.

19. TRANSFER OF SHARES

- 19.1 Except where the provisions of article 23 and 24 apply, any shareholder wishing to transfer any Shares in the capital of the Company (**Seller**) shall give notice in writing (**Transfer Notice**) of that fact to each Ordinary Shareholder (excluding any Ordinary Shareholder who has already served a Transfer Notice or is deemed to have served a Transfer Notice and whose shares are in the process of following the provisions of this article 19) (**Continuing Shareholders**), stating the number of Shares (**Sale Shares**) he wishes to sell, the identity of the proposed buyer(s) (if applicable), and the price per Sale Share at which he is willing to sell the Sale Shares (**Specified Price**) and each Continuing Shareholder's proportionate entitlement to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of ordinary shares held by him bears to the total number of ordinary shares held by the Continuing Shareholders (in respect of each Continuing Shareholder, his **Entitlement**).

- 19.2 A Transfer Notice (or a deemed transfer notice pursuant to article 20) constitutes the Company as agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 19.3 The Continuing Shareholders (or any of them) may, by giving notice in writing (**Price Notice**) to the Seller at any time within ten (10) business days of receipt of a Transfer Notice, notify the Seller that the Specified Price is too high. Following service of a Price Notice, the Seller and the Continuing Shareholders (who have given a Price Notice) shall endeavour to agree a price for each of the Sale Shares. If the Seller and the Continuing Shareholders (who have given a Price Notice) have not agreed such a price within ten (10) business days of the Seller's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 22.
- 19.4 If, following delivery to him of the Valuers' written notice in accordance with article 22, the Seller does not agree with Valuers' assessment of the Fair Value of the Sale Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five (5) business days of delivery to him of the Valuers' written notice. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these articles.
- 19.5 Within ten (10) Business Days of receipt (or deemed receipt) of a Transfer Notice or, if later, within ten (10) Business Days of receipt of the Valuers' determination of the Fair Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with article 19.4), a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that he wishes to purchase a specified number of Sale Shares up to the maximum of his Entitlement at the Sale Price. A Continuing Shareholder may, in his Acceptance, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Entitlement (**Extra Shares**).
- 19.6 On the expiry of the relevant ten (10) Business Day period referred to in article 19.5, each accepting Continuing Shareholder shall be allocated his Entitlement (or, as the case may be, such lesser number of Sale Shares for which a Continuing Shareholder has applied under article 19.5) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in the proportion which their existing holding of ordinary shares bears to the total number of ordinary shares held by the Continuing Shareholders who have made applications for Extra Shares in accordance with article 19.5.
- 19.7 Completion of those Sale Shares accepted by the shareholders under article 19.5 shall take place in accordance with article 21.
- 19.8 In relation to any Sale Shares not accepted by Continuing Shareholders under article 19.5 and article 19.6, the Seller shall give notice in writing (**Second Transfer Notice**) of that fact to the Company stating the number of Sale Shares he wishes to sell, the identity of the proposed buyer(s) (if applicable), and the Specified Price.
- 19.9 The Company may, by giving notice in writing (**Price Notice**) to the Seller at any time within ten (10) business days of receipt of a Transfer Notice, notify the Seller that the Specified Price is too high. Following service of a Price Notice, the Seller and the Company shall endeavour to agree a price for each of the Sale Shares. If the Seller and Company have not agreed such a price within ten (10) business days of the Seller's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of

each Sale Share in accordance with article 22 unless such Fair Value has already been determined in accordance with article 19.3.

- 19.10 If, following delivery to him of the Valuers' written notice in accordance with article 22, the Seller does not agree with Valuers' assessment of the Fair Value of the Sale Shares, he shall be entitled to revoke the Second Transfer Notice by giving notice in writing to the Company within five (5) business days of delivery to him of the Valuers' written notice. If the Seller revokes the Second Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these articles.
- 19.11 Within ten (10) Business Days of receipt (or deemed receipt) of a Second Transfer Notice or, if later, within ten (10) Business Days of receipt of the Valuers' determination of the Fair Value (and provided the Seller has not withdrawn the Second Transfer Notice in accordance with article 19.11), the Company shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that it wishes to purchase a specified number of Sale Shares.
- 19.12 On the expiry of the relevant ten (10) Business Day period referred to in article 19.11, the Company shall be allocated the Sale Shares for which it has applied under article 19.11).
- 19.13 In relation to any Sale Shares not accepted by the Company under article 19.11 or which the Company is unable to purchase as a result of being unable to comply with the terms of section 692 (2) (a) (i) and section 694 of the Act, having already served a Second Transfer Notice under article 19.8 above in respect of the Sale Shares (or some of them), the Seller shall give notice in writing (**Third Transfer Notice**) of that fact to each Original Shareholder (excluding any Original Shareholder who has already served a Transfer Notice or is deemed to have served a Transfer Notice and whose shares are in the process of following the provisions of this article 19) (**Continuing Original Shareholders**), stating the number of Sale Shares he wishes to sell, the identity of the proposed buyer(s) (if applicable), and the Specified Price and each Continuing Original Shareholder's proportionate entitlement to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of ordinary shares held by him bears to the total number of ordinary shares held by the Continuing Original Shareholders (in respect of each Continuing Original Shareholder, his **Entitlement**).
- 19.14 The Continuing Original Shareholders (or any of them) may, by giving notice in writing (**Price Notice**) to the Seller at any time within ten (10) business days of receipt of a Third Transfer Notice, notify the Seller that the Specified Price is too high. Following service of a Price Notice, the Seller and the Continuing Original Shareholders (who have given a Price Notice) shall endeavour to agree a price for each of the Sale Shares. If the Seller and the Continuing Original Shareholders (who have given a Price Notice) have not agreed such a price within ten (10) business days of the Seller's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 22 unless such Fair Value has already been determined in accordance with article 19.3.
- 19.15 If, following delivery to him of the Valuers' written notice in accordance with article 22, the Seller does not agree with Valuers' assessment of the Fair Value of the Sale Shares, he shall be entitled to revoke the Third Transfer Notice by giving notice in writing to the Continuing Original Shareholders within five (5) business days of delivery to him of the Valuers' written notice. If the Seller revokes the Third Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these articles.

- 19.16 Within ten (10) Business Days of receipt (or deemed receipt) of a Third Transfer Notice or, if later, within ten (10) Business Days of receipt of the Valuers' determination of the Fair Value (and provided the Seller has not withdrawn the Third Transfer Notice in accordance with article 19.11), a Continuing Original Shareholder shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that he wishes to purchase a specified number of Sale Shares up to the maximum of his Entitlement at the Sale Price. A Continuing Original Shareholder may, in his Acceptance, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Entitlement (**Extra Shares**).
- 19.17 On the expiry of the relevant ten (10) Business Day period referred to in article 19.12, each accepting Continuing Original Shareholder shall be allocated his Entitlement (or, as the case may be, such lesser number of Sale Shares for which a Continuing Original Shareholder has applied under article 19.12) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Original Shareholders applying for Extra Shares in the proportion which their existing holding of ordinary shares bears to the total number of ordinary shares held by the Continuing Original Shareholders who have made applications for Extra Shares in accordance with article 19.12.
- 19.18 Completion of those Sale Shares accepted by the shareholders under article 19.5 shall take place in accordance with article 21.
- 19.19 In relation to any Sale Shares not accepted by Continuing Shareholders under article 19.5 and article 19.6, by the Company under article 19.11 and 19.12 or by the Continuing Original Shareholders under article 19.16 and 19.17, the Seller shall be entitled to transfer those Sale Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price.

20. EVENTS OF DEFAULT

- 20.1 Any shareholder who is an individual is deemed to have served a Transfer Notice under article 19.1 immediately before any of the following events of default:
- (a) on his death;
 - (b) on his bankruptcy or sequestration order being made against him, or an arrangement or composition being made with his/her creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
 - (c) he commits a material or persistent breach of the Shareholders Agreement or any other shareholders agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days; or
 - (d) he becomes a Departing Employee.
- 20.2 The deemed Transfer Notice given under article 20.1 has the same effect as a Transfer Notice, except that:
- (a) the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the shares and the Sale Price shall be the Fair

Value of those Shares, determined by the Valuers in accordance with article 22 unless (i) the shareholder is a Bad Leaver in which case article 20.3 below shall apply or (ii) the shareholder is deemed to have served a Transfer Notice as a result of an event of default under article 20.1 (c) above in which case article 20.4 below shall apply; and

- (b) the Seller does not have a right to withdraw the Transfer Notice following a valuation.

20.3 Notwithstanding any other provisions of these Articles, the Sale Price in respect of an Employee who becomes a Departing Employee shall, where the Departing Employee is a Bad Leaver, be restricted to the following amount:

- (a) if the Departing Shareholder is a Bad Leaver prior to the first anniversary of the date of adoption of these Articles, the amount of £1 per Share or the Fair Value whichever is the lower;
- (b) if the Departing Shareholder is a Bad Leaver on or after the first anniversary of the date of adoption of these Articles but prior to the second anniversary of the date of adoption of these Articles, an amount equal to 50% of Fair Value;
- (c) if the Departing Shareholder is a Bad Leaver on or after the second anniversary of the date of adoption of these Articles but prior to the third anniversary of the date of adoption of these Articles, an amount equal to 75% of Fair Value;
- (d) if the Departing Shareholder is a Bad Leaver on or after the third anniversary of the date of adoption of these Articles but prior to the fourth anniversary of the date of adoption of these Articles, an amount equal to 80% of Fair Value;
- (e) if the Departing Shareholder is a Bad Leaver on or after the fourth anniversary of the date of adoption of these Articles but prior to the fifth anniversary of the date of adoption of these Articles, an amount equal to 90% of Fair Value; and
- (f) if the Departing Shareholder is a Bad Leaver on or after the fifth anniversary of the date of adoption of these Articles 100% of Fair Value.

20.4 Notwithstanding any other provisions of these Articles, the Sale Price in respect of a shareholder who is deemed to have served a Transfer Notice as a result of an event of default under article 20.1(c) shall be restricted to an amount equal to 75% of Fair Value.

20.5 Upon a Transfer Notice being deemed to be served under article 20 the shares subject to the relevant deemed Transfer Notice shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares; or
- (b) to receive dividends or other distributions otherwise attaching to those Shares

The Board may reinstate the rights referred to in article 20.4 at any time and, in any event, such rights shall be reinstated in respect of any shares transferred pursuant to article 20 on completion of such transfer.

- 20.6 If the Seller fails to complete a transfer of Sale Shares as required under this Article 20, the Continuing Shareholders and/or the Company (as the case may be) are irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders and/or the Company (as the case may be) may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without interest), giving a receipt that shall discharge the Continuing Shareholders and/or the Company (as the case may be), until the Seller has delivered his certificate for the Sale Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of the lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to the Sale Shares) to the Company.

21. COMPLETION OF SHARE PURCHASE

- 21.1 Completion of the sale and purchase of shares under article 19 and article 20 of this agreement shall take place 30 business days after:

- (a) the date of delivery (or deemed date of delivery) of the Transfer Notice to the Continuing Shareholders, unless the Continuing Shareholders (or any of them) have served a Price Notice under article 19.3; or
- (b) the date of delivery of determination of the Sale Price in accordance with article 19.3; or
- (c) the date of delivery (or deemed date of delivery) of the Transfer Notice to the Company, unless the Company served a Price Notice under article 19.9; or
- (d) the date of delivery of determination of the Sale Price in accordance with article 19.9; or
- (e) the date of delivery (or deemed date of delivery) of the Transfer Notice to the Continuing Shareholders, unless the Continuing Shareholders (or any of them) have served a Price Notice under article 19.14; or
- (f) the date of delivery of determination of the Sale Price in accordance with article 19.14; or
- (g) on such earlier date as the Board may reasonably determine.

- 21.2 At such completion:

- (a) the Seller shall deliver, or procure that there is delivered to each Continuing Shareholder and/or the Company (as the case may be) who is to purchase the Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to him, or where relevant, a buyback contract (where the Company is buying back the Sale Shares (or some of them) together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Continuing Shareholders and/or the Company (as the case may be) may reasonably require to show good title to the shares, or to enable him to be registered as the holder of the shares;

- (b) each relevant Continuing Shareholder and/or the Company (as the case may be) shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the Sale Price for the Sale Shares being transferred to him (or such other method of payment agreed between a Continuing Shareholder and the Seller).

22. FAIR VALUE

The **Fair Value** for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

- (a) applying an appropriate discount to reflect the fact that they represent a minority shareholding in the Company;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
- (d) the shares are sold free of all restrictions, liens, charges and other encumbrances;
- (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- (f) reflecting any other factors which the Valuers reasonably believes should be taken into account.

22.2 If any difficulty arises in applying any of these assumptions or bases then the Valuers shall resolve that difficulty in whatever manner it shall, in its absolute discretion, think fit.

22.3 The directors will give Valuers access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Board may impose.

22.4 The Valuers shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).

22.5 The Valuers shall be requested to determine the Fair Value within 30 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

22.6 The cost of obtaining the Valuers certificate shall be borne by the parties equally unless the Seller withdraws the relevant Transfer Notice in accordance with article 22.4, in which case the Seller shall bear the cost.

23. DRAG ALONG

23.1 If the holders of 51% of the Ordinary Shares (**Selling Shareholder**) wish to transfer all of their interest in their Shares (**Seller's Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholder may require all other shareholders (**Called Shareholders**) to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 23 (**Drag Along Option**).

- 23.2 The Selling Shareholder may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this article 23;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 23.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within ten (10) business days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 23.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 23.
- 23.5 Each Called Shareholder will be required to enter into a share acquisition agreement with the Proposed Buyer and warrant that (i) he is the registered holder and beneficial owner of all of the Called Shares held by him and (ii) he has full power and authority to enter into a share acquisition agreement relating to the purchase of the Called Shares held by him.
- 23.6 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sellers' Shares (**Completion Date**) unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than ten (10) business days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the tenth business day after delivery of the Drag Along Notice.
- 23.7 The rights of pre-emption set out in article 19 shall not apply to the proposed sale by the Sellers' Shares by the Selling Shareholders or the sale of the Called Shares by the Called Shareholders.
- 23.8 Within five (5) business days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver duly executed stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 23.2(c) to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called

Shareholders pursuant to article 23.2(c) in trust for the Called Shareholders without any obligation to pay interest.

- 23.9 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the consideration due pursuant to article 23.2(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 23 in respect of their shares in relation to that particular transaction.
- 23.10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 23.
- 23.11 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares, whether or not pursuant to a share option scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 23 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this article 23.11 to a person becoming a shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own shares.
- 23.12 Any Transfer Notice or deemed Transfer Notice served in respect of the transfer of any share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

24. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 24.1 If, in one or a series of related transactions, the holders of the shares in the Company propose to transfer any of the shares in the capital of the company (**Proposed Transfer**) which would, if carried out, result in any person (**Tag Along Buyer**), and any person Acting in Concert with the Tag Along Buyer, acquiring a Controlling Interest in the company, the following provisions of this article 24 shall apply.
- 24.2 Before making a Proposed Transfer, any shareholder wishing to transfer any shares in the capital of the Company (**Tag Along Seller**) shall procure that the Tag Along Buyer makes an offer (**Offer**) to the other shareholders to purchase all of the Shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Tag Along Buyer, or any person Acting in Concert with the Tag Along Buyer, in

the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer.

- 24.3 The Offer shall be given by written notice (**Offer Notice**), at least ten (10) business days (**Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Tag Along Buyer;
 - (b) the Offer Price and any other terms and conditions to the Offer;
 - (c) the Sale Date; and
 - (d) the number of Shares proposed to be purchased by the Tag Along Buyer (**Offer Shares**).
- 24.4 If the Tag Along Buyer fails to make the Offer to all holders of shares in the company in accordance with article 24.2 and article 24.3, the Seller shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 24.5 If the Offer is accepted by any shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 24.6 The rights of pre-emption set out in article 19 shall not apply to the Proposed Transfer or to the purchase of the Offer Shares held by the Accepting Shareholders.

DECISION MAKING BY SHAREHOLDERS

25. POLL VOTES

- 25.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 25.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

26. PROXIES

- 26.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 26.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

27. LIEN

- 27.1 The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estate to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this article.

ADMINISTRATIVE ARRANGEMENTS

28. MEANS OF COMMUNICATION TO BE USED

- 28.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

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

29. INDEMNITY

- 29.1 Subject to article 29.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

- (b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 29.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

29.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

29.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

30. INSURANCE

30.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

30.2 In this article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation

to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.