

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS
OF
ZAPPAR LIMITED
(the "Company")

TUESDAY



On 16th May 2011 the following ordinary and special resolutions were duly passed as written resolutions of the Company pursuant to section 288 of the Companies Act 2006:

ORDINARY RESOLUTION

- 1 THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £200 for a period expiring on 30 June 2011.

SPECIAL RESOLUTIONS

- 2 THAT the provisions of article 29 of the Company's articles of association shall not apply to:
 - (a) the proposed allotment of 9,900 A Ordinary Shares of £0.01 to Veemee Limited,
 - (b) the proposed allotment of 5,000 B Ordinary Shares of £0.01 to Simon Taylor,
 - (c) the proposed allotment of 4,000 B Ordinary Shares of £0.01 to Connell Gauld,
 - (d) the proposed allotment of 1,000 C Ordinary Shares of £0.01 to Thomas Drummond, and
 - (e) the proposed allotment of one C Ordinary Share of £0.01 to Veemee Limited,provided that such allotments are made by no later than 30 June 2011.
- 3 THAT the one ordinary share of £1.00 in the share capital of the Company subscribed for by Veemee Limited as subscriber to the memorandum of association of the Company be sub-divided into and re-designated as 100 A Ordinary Shares of £0.01 having the rights set out in the articles of association to be adopted at resolution 4.

- 4 THAT the articles of association in the attached form be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company.

STH

Director/Secretary

the Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

ZAPPAR LIMITED

(Incorporated in Scotland under Company No. SC394617)

(Adopted by special resolution passed on 16th May 2011)

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No. SC394617

The Companies Act 2006

Private Company Limited by Shares

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on 16th May 2011)

of

ZAPPAR LIMITED

Incorporated on 2nd March 2011

1 Interpretation

1.1 In these Articles (unless the context requires otherwise), the following words have the following meanings:

“**Act**” means the Companies Act 2006 and every statutory modification or re-enactment thereof and statutory instrument relevant thereto or derived therefrom for the time being in force;

“**Articles**” means these articles of association as altered from time to time;

“**Associate**” means

- (a) the spouse or child (including adopted child) of the relevant person; or
- (b) the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or his spouse or children is or is capable of being a beneficiary; or
- (c) any nominee or bare trustee for the relevant person or for any other Associate of the relevant person; or
- (d) if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company; or
- (e) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of

Section 839 of the Income and Corporation Taxes Act 1998; or

- (f) any person with whom the relevant person is acting in concert (such expression to have the same definition and meaning that is ascribed thereto in the City Code on Takeovers and Mergers as for the relevant time being current);

“Board” means the board of directors for the time being of the Company or any duly constituted and authorised committee of it;

“Good Leaver” means an employee of a Group Company who:

- (a) is wrongfully or constructively dismissed by the Group Company and/or whose dismissal is determined by an Employment Tribunal or agreed by the Board and the employee concerned to be substantively unfair within the meaning of the Employment Rights Act 1996; or
- (b) resigns from his employment with a Group Company with the prior written consent of the Board;

“Group” means the Company and (wherever registered) any subsidiary of the Company;

“Group Company” means a company within the Group;

“Listing” means the admission to the Official List of the Stock Exchange of all or any part of the issued equity share capital of the Company by the UK Listing Authority or the grant of permission for such share capital to be dealt in on the Alternative Investment Market or Ofex or any other recognised investment exchange (as defined by section 285 Financial Services and Markets Act 2000);

“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;

“Sale” means the unconditional completion of the sale of more than 50% of the issued voting share capital of the Company to a person who is not a member of the Company on the date of adoption of these Articles ;

“specified experts” means the auditors of the Company or, if they are unwilling to act in the matter or no auditors are in office, such firm of accountants as, on a request by directors the making of which is promptly notified to the Vendor, is nominated by the President of the Institute of Chartered Accountants in England and Wales;

“Transfer Notice” has the meaning ascribed to it in Article 6.1;

“Veemee” means Veemee Limited a company incorporated in England and Wales with company number 07003716; and

“Vendor” has the meaning ascribed to it in Article 6.1.

- 1.2 The Model Articles shall apply to the Company save insofar as they are excluded or varied in or are otherwise inconsistent with these Articles.
- 1.3 Save as otherwise specifically provided in these Articles (and unless the context requires otherwise), words and expressions which are given meanings in the Model

Articles shall have the same meanings in these Articles, subject to which (and unless the context requires otherwise), words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.4 In these Articles:

1.4.1 headings are for convenience only and shall not affect the construction hereof;

1.4.2 a reference to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise;

1.4.3 unless the context requires otherwise, words importing a gender include every gender;

1.5 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".

1.6 Article 24(2)(c) of the Model Articles shall be amended by the deletion of the word "that" and the insertion in its place of the words "whether or not".

1.7 Article 44(3) of the Model Articles shall be amended by the insertion, at the end of that article, of the words "A demand withdrawn in accordance with this article shall not invalidate the result of a show of hands declared before the demand was made".

2 Share capital

2.1 The Company does not have power to issue share warrants to bearer.

2.2 The share capital of the Company (at the date of adoption of these Articles) is divided into:

2.2.1 A Ordinary Shares of £0.01 each ("A Shares"),

2.2.2 B Ordinary Shares of £0.01 each ("B Shares"), and

2.2.3 C Ordinary Shares of £0.01 each ("C Shares").

2.3 The A Shares, B Shares and C Shares constitute different classes of shares for the purposes of the Act but, except as in these Articles expressly provided, confer upon the holders the same rights and rank *pari passu* in all respects.

2.4 All dividends declared or paid in accordance with these Articles must be paid by reference to the number of shares held by each shareholder on the date of the resolution or decision to declare or pay it.

2.5 The C Shares shall not confer on the holders thereof (in that capacity) the right to receive notice of or attend and vote at any general meeting of the Company.

2.6 Immediately prior to a Sale or Listing all of the C Shares then in issue (other than the one C Share issued to Veemee on or about the date of adoption of these Articles) shall automatically be converted into, and redesignated as, B Shares carrying the rights provided in these Articles.

3 Issue of new shares

- 3.1 The Company has the power to allot and issue shares and to grant rights to subscribe for, or to convert any security into, shares pursuant to those rights.
- 3.2 In the event that the Company has at any time only one class of shares, the directors may only exercise the power of the Company to allot and issue shares or to grant rights to subscribe for, or to convert any security into, shares in accordance with s.551 of the Act. The powers of the directors pursuant to section 550 of the Act shall be limited accordingly.
- 3.3 The provisions of ss.561 and 562 of the Act shall apply to the Company, subject always to the provisions of ss.570 and 571 of the Act, with the following modifications:
- 3.3.1 the A Shares, B Shares and C Shares shall be deemed to be shares of the same class;
- 3.3.2 the holders of equity securities (as defined in s.560 of the Act) who accept all the equity securities offered to them (“**acceptors**”) shall be entitled to indicate whether they would accept equity securities not accepted by other offerees (the “**Excess Shares**”), and any such Excess Shares shall be allotted to such acceptors in the numbers in which they have been accepted by such acceptors or, if the number of Excess Shares is insufficient for all such acceptors to be allocated all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allocated as nearly as practicable in the proportion that the number of Excess Shares each such acceptor has indicated he would accept bears to the aggregate number of Excess Shares applied for by all such acceptors. Fractional entitlements to equity securities shall be ignored.
- 3.4 Shares allotted to a member shall, before allotment, be designated as the same class as the shares already held by that member save that any shares allotted to Veemee shall be designated as A Shares.

4 Company’s lien

The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time and in respect of that share. The Company shall also have a first and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all moneys owing to the Company from him or his estate either alone or jointly with any other person, whether as a member or not and whether such moneys are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article. The Company’s lien on a share shall extend to any amount payable in respect of it.

5 Transfer of shares: general

- 5.1 The instrument of transfer of any share shall be executed by or on behalf of the transferor. In the case of a partly-paid share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

- 5.2 The directors may refuse to register the transfer of any share to a person who is (or whom the directors reasonably believe to be) under 18 years of age or who does not have (or whom the directors reasonably believe does not have) the legal capacity freely to dispose of any share without let, hindrance or Court approval.
- 5.3 No transfer of any shares or any interest in shares shall be made unless the foregoing provisions of these Articles are complied with in respect of the transfer and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.
- 5.4 For the purpose of ensuring that a proposed transfer of shares is duly made in compliance with these Articles, or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given, the directors may require a member, the legal representatives of a deceased member, the liquidator of a corporate member or a person named as transferee in a transfer lodged for registration to furnish to the Company such information and evidence as the directors think fit regarding any matter they deem relevant to that purpose. If the information or evidence is not furnished to the satisfaction of the directors within a reasonable time after the request, the directors shall be entitled to refuse to register the transfer in question. In a case where the information or evidence discloses that a Transfer Notice ought to be given in respect of any shares, the directors shall be entitled within a reasonable time to require, by notice in writing given to the registered holder, that a Transfer Notice be given in respect of the shares concerned. A director who is, or is nominated by, the Vendor (as defined in Article 6.1) or the holder of the shares concerned shall not be entitled to vote at any board meeting at which a resolution considering the registration of a transfer or (in a case where a Transfer Notice should have been given) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned is proposed. If the directors require that a Transfer Notice be given and it is not duly given within one month from the date of its being required, the Transfer Notice shall be deemed to have been given at the expiration of the month and the provisions of Article 6 shall take effect accordingly.

5.5 *Permitted Transfers*

The restrictions on transfer contained in this Article 5 shall not apply to:

- 5.5.1 a transfer approved in writing by all the members;
- 5.5.2 a transfer from a holder of A Shares to another holder of A Shares and a transfer from a holder of B Shares to another holder of B Shares;
- 5.5.3 a transfer by a corporate member ("**the transferor company**") to an associated company ("**the transferee company**") (that is to say, a holding company or wholly-owned subsidiary of the transferor company and any wholly-owned subsidiary of any such holding company). If the transferor company and the transferee company cease to be associated, the transferee company shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all shares transferred to it unless it retransfers the shares to the transferor company;
- 5.5.4 a transfer by a corporate member to a company formed to acquire the whole or a substantial part of its undertaking and assets as part of a scheme of amalgamation or reconstruction;

- 5.5.5 by a member to another member pursuant to put or call option arrangements entered into between them and contained in any agreement between the Company and some or all of its members (being an agreement additional to these Articles).

It must be proved to the reasonable satisfaction of the directors that the transfer bona fide falls within one of these exceptions.

- 5.6 Subject to the above provisions of this Article, the directors shall register any transfer made pursuant to or permitted by Articles 5.5, 6 or 7 but shall refuse to register any other transfer.
- 5.7 The Directors may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted if:
- 5.7.1 the transfer is of a share on which the Company has a lien;
 - 5.7.2 the transfer is of a share (not being a fully paid share) to a person of whom they shall not approve;
 - 5.7.3 the duly stamped transfer is not lodged at the Company's registered office or such other place as the directors have appointed;
 - 5.7.4 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
 - 5.7.5 the transfer is in respect of more than one class of share; and/or
 - 5.7.6 the transfer is in favour of more than four transferees.
- 5.8 If the directors refuse to register a transfer in accordance with these Articles, the instrument of transfer must be returned to the transferee with the notice of refusal unless the directors suspect that the proposed transfer may be fraudulent.

6 Transfer of shares: pre-emption rights

- 6.1 A member, or person entitled to shares by way of the death or bankruptcy of a member, who wishes to transfer shares or any interest in shares ("**the Vendor**") shall give to the Company notice in writing ("**the Transfer Notice**"). A Transfer Notice shall constitute the directors the Vendor's agents for the sale of the shares specified in it ("**the Sale Shares**") at a price ("**the Sale Price**") which is agreed upon by the Vendor and the directors or, in the absence of agreement, which the specified experts (acting as experts and not as arbitrators) certify to be in their opinion the fair value of the Sale Shares, as at the date of the Transfer Notice, as between a willing seller and a willing buyer contracting on arm's length terms, having regard to the fair value of the business of the Company and its subsidiaries as a going concern but without taking into account (if it be the case) that the Sale Shares constitute a minority interest or whether or not they carry voting rights.
- 6.2 The specified experts' certificate shall be binding upon all parties.

- 6.3 If the specified experts are asked to certify the Sale Price the Company shall within 7 days of the issue of the specified experts' certificate send a copy to the Vendor. The Vendor shall be entitled, by notice in writing given to the Company within 28 days of the copy being sent to him, to withdraw the Transfer Notice. The cost of obtaining the certificate shall be borne by the Company, unless the Vendor withdraws the Transfer Notice, in which case the cost shall be borne by the Vendor. A Transfer Notice shall not otherwise be revocable without the consent of all the directors of the Company, who may impose such condition upon any consent as they think fit, including a condition that the Vendor bears all associated costs.
- 6.4 Upon the Sale Price being agreed or certified and provided the Vendor does not withdraw the Transfer Notice in accordance with Article 6.3, the directors shall promptly, by notice in writing, offer the Sale Shares to the holders of the remaining shares at the Sale Price pro rata to their existing holdings. The offer shall be open for a period of 28 days from the date of the notice ("**the Acceptance Period**"). If the offerees within the Acceptance Period apply for all or any of the Sale Shares the directors shall allocate the Sale Shares or such of the Sale Shares as are applied for amongst the applicants for any of the Sale Shares, in the case of competition in proportion to their then existing holdings of shares (as nearly as may be without involving fractions or increasing the number allocated to any applicant beyond that applied for by him).
- 6.5 If within the Acceptance Period applications are received from one or more of the other holders ("**the Transferees**") in respect of all or any of the Sale Shares, the directors shall promptly give notice in writing ("**the Acceptance Notice**") to the Vendor specifying the number of Sale Shares applied for and the place and time (being not earlier than 7 and not later than 28 days after the date of the Acceptance Notice) at which the sale shall be completed.
- 6.6 The Vendor shall be bound to transfer the Sale Shares, or such of the Sale Shares as are applied for, to the Transferees at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares (or, if some only of the Sale Shares have been applied for, the corresponding proportion of the Sale Price for all the Sale Shares) shall be made to the directors as agents for the Vendor. If the Vendor fails to transfer the Sale Shares, or such of the Sale Shares as are applied for, the chairman of the Company or some other person appointed by the directors shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the Sale Shares, or such of the Sale Shares as are applied for, to the Transferees against payment of the Sale Price, or the corresponding proportion of the Sale Price, to the Company. On payment to the Company, the Transferees shall be deemed to have obtained a good discharge for this payment. On execution and delivery of the transfers, the Transferees shall be entitled to require their names to be entered in the register of members as the holders by transfer of the Sale Shares or such of the Sale Shares as are applied for. The Company shall pay the price into a separate bank account in the Company's name and hold it in trust for the Vendor, after deducting any fees or expenses falling to be borne by the Vendor. After the names of the Transferees have been entered in the register of members in purported exercise of the above powers, the validity of the proceedings shall not be questioned by any person.

- 6.7 If the offer of the Sale Shares at the Sale Price is accepted in part only within the Acceptance Period, the Vendor shall be at liberty during the period of 3 months following the expiry of the Acceptance Period to transfer all or any of the remaining Sale Shares to any person at a price not being less than a due proportion of the Sale Price. The directors may require to be satisfied that the Sale Shares not applied for are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance of any kind to the purchaser and, if not satisfied, may refuse to register the instrument of transfer. A director who is, or is nominated by, the Vendor shall not be entitled to vote at any board meeting at which a resolution relating to the sale is proposed.
- 6.8 If the offer of the Sale Shares at the Sale Price is not accepted in whole or in part within the Acceptance Period, the Vendor shall be at liberty during the period of 3 months following the expiry of the Acceptance Period to transfer all or any of the Sale Shares to any person at a price not being less than the Sale Price. The directors may require to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance of any kind to the Purchaser. If not satisfied, the directors may refuse to register the relevant instrument of transfer. A director who is, or is nominated by, the Vendor shall not be entitled to vote at any board meeting at which a resolution relating to the sale is proposed.
- 6.9 Where the Sale Shares are of a different class to that held by a Transferee the Sale Shares acquired by such Transferee shall automatically be redesignated, on registration of the transfer, as shares of the class of shares already held by the Transferee save that any Sale Shares acquired by Veemee shall be redesignated as A Shares.

7 Deemed transfers

- 7.1 For the purposes of this Article 7 the following shall be deemed to be a relevant event:
- 7.1.1 a direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that all or any of the shares be allotted, issued or transferred to some person other than himself;
 - 7.1.2 a sale or other disposition of any beneficial interest in a share (whether or not for consideration) by a member otherwise than in accordance with the provisions of Articles 5 and 6 and whether or not made in writing;
 - 7.1.3 a corporate member entering into liquidation (other than a members' voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrative receiver or a receiver being appointed over any of its assets or an administration order being made against it;
 - 7.1.4 the death or bankruptcy of a member;
 - 7.1.5 an employee or director of a Group Company who is a member ceasing to be employed by or a director of any Group Company for any reason;
 - 7.1.6 in the case of Veemee, if at any time Veemee ceases to make its services available to the Company either directly, or indirectly through the time and expertise of Veemee employees or directors acting as A Directors.

- 7.2 Subject to Article 7.5, if a relevant event occurs in relation to a member, he shall be deemed to have given a Transfer Notice under Article 6.1 in respect of all shares of each class held by him and/or by any Associate(s) of his immediately prior to the relevant event.
- 7.3 If a corporate member who is not a holder of any A Shares ceases to be controlled by the person who at the time when it became a member had control, the member shall be deemed immediately prior to that event to have served a Transfer Notice in respect of all the shares held by it, unless all the other holders of shares otherwise agree in writing. For the purposes of this Article, a person shall be deemed to have control of a corporation if the corporation is a subsidiary of that person or would have been a subsidiary if that person had itself also been a corporation.
- 7.4 Any Transfer Notice deemed to have been given under Articles 5.5.3, 7.2 or 7.3 shall be deemed to contain a provision, binding on the Company that unless all the Sale Shares comprised in it are sold by the Company pursuant to this Article 7 none shall be sold. Article 6.3 shall not apply in so far as it entitles the Vendor to withdraw the Transfer Notice. Where a member gives a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him he shall not be entitled to withdraw it.
- 7.5 If after the second anniversary of the date of adoption of these Articles, either of Connell Gauld or Simon Taylor shall cease to be employed by or a director of any Group Company and are at that time a Good Leaver, then Article 7.2 shall only apply to the specified percentage of shares held by that member and/or any Associate(s) of his set out below, and the remaining shares held by that member and/or any Associates of his (which are not the subject of a deemed Transfer Notice under Article 7.2) shall with effect from the date on which the member in question ceases to be employed by or a director of any Group Company ("**Cessation Date**") no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting until such time as the shares are transferred pursuant to Article 6 or the date of a Sale or a Listing whichever event occurs first. For the purposes of this Article 7.5 the "specified percentage" shall be as follows:

<i>Cessation Date</i>	<i>Percentage of shares</i>
After the second anniversary of the date of adoption of the Articles	50%
After the third anniversary of the date of adoption of the Articles	40%
After the fourth anniversary of the date of adoption of the Articles	30%
After the fifth anniversary of the date of adoption of the Articles	20%
After the sixth anniversary of the date of adoption of the Articles	10%

After the seventh anniversary of the date of
adoption of the Articles

0%

8 Disenfranchisement

- 8.1 For the purposes of this Article 8 a “**Disenfranchisement Notice**” is a notice issued by the directors and served on a member stating that the shares held by that member shall as from the date of service of such Disenfranchisement Notice on such holder no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting until such time as the directors shall think fit and, as from such date, such shares shall no longer confer any such rights accordingly.
- 8.2 The directors shall be entitled to serve a Disenfranchisement Notice (as defined in and having the effect as stated in Article 8.1) on the holders of any shares which are for the time being the subject of a Transfer Notice (including a deemed Transfer Notice) but such notice shall have effect only for so long as such shares remain the subject of a Transfer Notice.

9 Consolidation, division etc.

- 9.1 The powers of consolidation, division, sub-division and cancellation of the share capital of the Company conferred by the Act shall be exercised by special resolution.

10 General meetings

- 10.1 No business shall be transacted at any general meeting unless the requisite quorum is present. Two members present in person or by proxy (or, in the case of a corporate member, by representative) shall be a quorum for all purposes, provided that, whilst the issued share capital of the Company includes A and B Shares, one member is the holder of an A Share and the other the holder of a B Share. Where all the holders of a class have waived in writing the quorum requirement in relation to that class, the waiver shall be effective for the meeting or particular business, or otherwise, as specified in the waiver.
- 10.2 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day (or, if that day is a holiday, to the next following working day) in the next week but one and at the same time and place or to such other date, time and place as the directors determine (not being more than 30 days nor less than 10 days after the date appointed for the general meeting unless agreed by the holders of not less than nine tenths in nominal value of the shares entitled to vote at the meeting). If at the adjourned meeting a quorum of one A Shareholder and one B Shareholder is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
- 10.3 Where a meeting is adjourned under Article 10.2 for 10 days or more, not less than seven days' notice of the adjourned meeting shall be given as in the case of an original meeting.
- 10.4 The A Shares shall not confer the right to vote, either on a show of hands or on a poll, upon a resolution for the appointment or removal from office of a “B” director (as defined in Article 11.5). This Article shall cease to apply if at anytime there are no B Shares in issue.

- 10.5 The B Shares shall not confer the right to vote, either on a show of hands or on a poll, upon a resolution for the appointment or removal from office of an "A" director (as defined in Article 11.3). This Article shall cease to apply if at anytime there are no A Shares in issue.
- 10.6 If at a meeting a holder of any A Shares is not present in person or by proxy, the votes exercisable on a poll in respect of the A Shares held by members who are present in person or by proxy shall be pro tanto increased so that their A Shares shall together entitle them to the same aggregate number of votes as could be cast in respect of all the A Shares if all the holders were present.
- 10.7 If at a meeting a holder of any B Shares is not present in person or by proxy, the votes exercisable on a poll in respect of the B Shares held by members who are present in person by proxy shall be pro tanto increased so that their B Shares shall together entitle them to the same aggregate number of votes as could be cast in respect of all the B Shares if all the holders were present.
- 10.8 A resolution shall not be validly passed unless at least one holder of A Shares and at least one holder of B Shares votes in its favour.

11 Directors

- 11.1 Of the directors holding office at the date of adoption of these Articles, Caspar Thykier and Kirk Ewing shall be designated as "A" directors and Simon Taylor and Connell Gauld as "B" directors. Their appointment shall be treated as having taken place under Articles 11.3 and 11.5 respectively.
- 11.2 The directors shall unless otherwise determined by a special resolution of the Company be not more than five in number.
- 11.3 The holders of not less than 75% of the "A" Shares carrying the right to vote at general meetings of the Company ("**the A Majority**") may from time to time appoint any person to be a director but not more than two persons shall at any one time hold office by virtue of an appointment by holders of "A" Shares under this Article. Each director appointed under this Article is designated an "A" director.
- 11.4 Each "A" director may at any time be removed from office by the A Majority.
- 11.5 The holders of not less than 75% of the "B" Shares carrying the right to vote at general meetings of the Company ("**the B Majority**") may from time to time appoint any person to be a director but not more than two persons shall at any one time hold office by virtue of an appointment by the holders of "B" Shares under this Article. Each director appointed under this Article is designated a "B" director.
- 11.6 Each "B" director may at any time be removed from office by the B Majority.
- 11.7 The members may by agreement between them appoint an additional non-executive director to act as chairman of the Board. Such director shall be neither designated as an "A" director nor a "B" director
- 11.8 An appointment or removal under the above provisions shall be made in writing under the hands of the holders for the time being of the shares in whom the power of appointment or removal is vested, or their duly authorised agents, and shall take

effect on and from the date on which notice in writing of it is lodged at the registered office of the Company or delivered to the secretary or to a meeting of the directors.

- 11.9 A director does not require a shareholding qualification, but is nevertheless entitled to notice of and to attend and speak at any general meeting.

12 Powers and duties of directors

- 12.1 Subject to the provisions of the Act, a director may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a director. A director may vote in respect of the contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company. He may also be counted in the quorum at any meeting at which the matter is considered.

13 Alternate directors

- 13.1 A director (other than an alternate director) may appoint any person to be an alternate director and may remove from office an alternate director appointed by him. When an alternate director is also a director or acts as an alternate director for more than one director, he shall have one vote for every director represented by him (in addition to his own vote if he is himself a director). When acting, he shall be considered as two directors for the purpose of making a quorum if the quorum exceeds two.

14 Disqualification of directors

- 14.1 A director shall not be required to vacate his office or be ineligible for re-election, and no person shall be ineligible for appointment as a director, by reason only of his attaining or having attained any particular age.

15 Board meetings

- 15.1 Questions arising at any meeting of the directors or of any committee shall be decided by a majority of votes of the directors present. The chairman shall not have a second or casting vote; but:

15.1.1 if at a meeting of the directors or of a committee any "A" director is not present in person or represented by an alternate director, the votes of the "A" directors present in person or represented by an alternate director shall be pro tanto increased so that they are entitled to cast the same aggregate number of votes as could be cast by the "A" directors if they were all present;

15.1.2 if at a meeting of the directors or of a committee any "B" director is not present in person or represented by an alternate director, the votes of the "B" directors present in person or represented by an alternate director shall be pro tanto increased so that they are entitled to cast the same aggregate number of votes as could be cast by the "B" directors if they were all present.

- 15.2 The quorum necessary for the transaction of business at any meeting of the directors or of any committee is one "A" director and one "B" director.

16 Transactions or other arrangements with the Company

- 16.1 Subject to the provisions of the Act and to the other provisions of these Articles, no director or proposed or intending director shall be disqualified by his office from

contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship so established.

- 16.2 A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the Act) and upon such other terms as the Board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board (or any committee authorised by the Board) may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other Article.
- 16.3 A director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in the other company. The Board may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company.
- 16.4 A director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm may be entitled to remuneration for professional services as if he were not a director.
- 16.5 Subject to the provisions of the Act, a director may vote on and be counted in the quorum in relation to any resolution of the Board in respect of any contract in which he has an interest.

17 Directors' conflicts of interest

- 17.1 A director who is in any way (directly or indirectly) interested in a proposed transaction or arrangement with the Company shall declare the nature of his interest to the other directors (i) at a meeting of the directors; or (ii) by a notice in writing in accordance with s.184 of the Act; or (iii) by a general notice in accordance with s.185 of the Act prior to that transaction or arrangement being entered into by the Company (where s.177 of the Act applies) or as soon as required by s.182 of the Act, where that section applies. If a declaration of interest under this Article proves to be, or becomes, inaccurate or incomplete, a further declaration must be made. This Article 17.1 does not require a declaration of an interest of which the director is not aware or where the director is not aware of the transaction or arrangement in question. For this purpose a director shall be deemed to be aware of matters of which he ought reasonably to be aware. A director need not declare an interest in the circumstances set out in s.177(6) or s.182(6) of the Act, as applicable.
- 17.2 References in this Article to:

- 17.2.1 a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract;
 - 17.2.2 any contract with or situation involving the Company shall include also any contract with or situation involving any of its subsidiaries or subsidiary undertakings for the time being;
 - 17.2.3 an interest of a director shall include any interest of any person who is connected with him for the purposes of ss.252 to 255 (inclusive) of the Act, to the extent the director is aware of the interest of such connected person; and
 - 17.2.4 an interest of an alternate director shall also include the interest of his appointor, to the extent the alternate director is aware of that interest.
- 17.3 Subject to the provisions of the Act, the Company may, by ordinary resolution, suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of this Article. No director nor any member connected with him for the purposes of s.239 of the Act shall vote on any resolution of the Company relating to the ratification of any action by him amounting to negligence, default, breach of duty or breach of trust in relation to the Company.
- 17.4 Subject to first obtaining authorisation under an ordinary resolution, the Board may resolve in accordance with s.175(4)(a) of the Act to authorise a director to enter into a specific 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 as described in s.175(1) of the Act.

18 Capitalisation of profits

- 18.1 On any occasion when shares are allotted and distributed credited as fully paid under the provisions of Article 36 of the Model Articles the shares allotted to holders of "A" Shares shall be designated "A" Shares; the shares allotted to holders of "B" Shares shall be designated "B" Shares; and the shares allotted to holders of "C" Shares shall be designated "C" Shares.

19 Indemnity

- 19.1 Subject to and to the fullest extent permitted by the Act, but without prejudice to any indemnity to which he may be otherwise entitled:
- 19.1.1 every director and alternate director (and every director or alternate director of any associated company of the Company) shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any proceedings (whether civil or criminal) or any regulatory investigation or action which relate to anything done or omitted or alleged to have been done or omitted by him in his capacity as such save that no such person shall be entitled to be indemnified (whether directly or indirectly):
 - (a) for any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company of the Company (as defined in s.256 of the Act for these purposes);

- (b) for any fine imposed in criminal proceedings which have become final;
- (c) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
- (d) for any liability incurred by him in defending any criminal proceedings in which he is convicted and such conviction has become final;
- (e) for any liability incurred by him in defending any civil proceedings brought by the Company or an associated company of the Company in which a final judgment has been given against him; and
- (f) for any liability incurred by him in connection with any application under ss.661(3) or (4) or 1157 of the Act in which the court refuses to grant him relief and such refusal has become final;

19.1.2 every director and alternate director (and every director or alternate director of any associated company of the Company) shall be entitled (i) to have funds provided to him by the Company to meet expenditure incurred or to be incurred by him in defending himself in any proceedings (whether civil or criminal) or in connection with an application for relief (as defined in s.205(5) of the Act) or in an investigation, or against action proposed to be taken, by a regulatory authority or (ii) to receive assistance from the Company as will enable any such person to avoid incurring such expenditure, where such proceedings, application, investigation or action are in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company of the Company, provided that he will be obliged to repay any funds provided to him no later than:

- (a) in the event he is convicted in such proceedings, the date when the conviction becomes final; or
- (b) in the event of judgment being given against him in such proceedings, the date when the judgment becomes final; or
- (c) in the event of the court refusing to grant him such relief, the date when the refusal becomes final; or
- (d) in the event he becomes liable for any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising, the date on which any appeal relating to such sum becomes final (within the meaning of s.205(3) of the Act); and

19.1.3 every director and alternate director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any of the Company's activities as trustee of an occupational pension scheme (as defined in s.235(6) of the Act) save that no director or alternate director shall be entitled to be indemnified:

- (a) for any fine imposed in criminal proceedings which have become final;

- (b) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising; and
- (c) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final.

20 Insurance

- 20.1 Subject to the Act, the directors may exercise all the powers of the Company to purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company or any associated company of the Company or in which the Company has or had an interest (whether direct or indirect) or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of any such body corporate is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer, employee or trustee.

21 Notices

- 21.1 Any notice required by these Articles to be given by the Company may be given by any visible form, including facsimile and electronic mail. A notice communicated by immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Article 34 of the Model Articles shall be amended accordingly.