

THE COMPANIES ACT 2006

WRITTEN RESOLUTIONS OF THE SOLE MEMBER OF

LINK ORTHOPAEDICS UK LTD

REGISTERED NUMBER: SC586309

(THE "COMPANY")

CIRCULATION DATE: 9 MARCH 2018

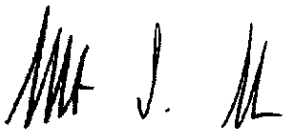
In accordance with Sections 288 to 300 inclusive of the Companies Act 2006 (the "Act") and the articles of association of the Company, we, being the sole member of the Company who would be entitled to vote on these resolutions on the circulation date hereof, agree that the following resolutions shall have effect as if passed by the Company in general meeting as a special resolution or as an ordinary resolution, as specified, and accordingly we resolve:

SPECIAL RESOLUTION

- 1 THAT the Company adopt new articles of association in the form of the draft articles of association attached to this special written resolution in substitution for and to the entire exclusion of the existing articles of association of the Company.

ORDINARY RESOLUTION

- 2 THAT, pursuant to section 188 of the Act, the Company be authorised to enter into a service agreement with James Malcolm in the form of the draft attached to this ordinary written resolution, which provides for James Malcolm's employment to continue for a period of more than two years during which time the service agreement can only be terminated by the Company by notice in specified circumstances.

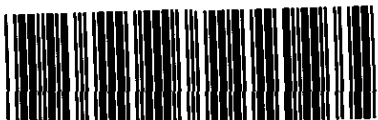


For and on behalf of DERU GmbH

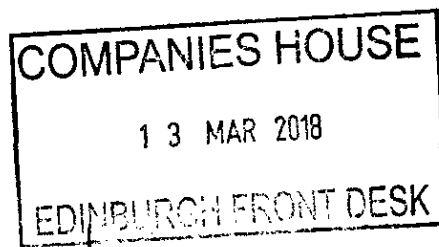
9 MARCH 2018

Date

TUESDAY



SCT 13/03/2018 #312
COMPANIES HOUSE



STATEMENT TO SOLE MEMBER

in respect of

SOLE MEMBER'S WRITTEN RESOLUTIONS

In order for the attached member's written resolutions of Link Orthopaedics UK Ltd (the "**Company**") to be adopted as a special resolution and an ordinary resolution, as specified, of the Company the resolutions must be approved by members holding in aggregate not less than 75% and not less than 50% respectively of the total voting rights exercisable by members of the Company in general meeting.

Members may signify their approval of the written resolutions by delivering to the Company an authenticated document (in hard copy or electronic form) identifying the resolutions and indicating agreement to its terms. It is therefore not necessary to physically sign it. However, signing the written resolutions in the space above the member's name is a valid and effective method of signifying approval.

In order for the resolutions to be agreed, the requisite number of votes in favour must be received by the Company on or before the date falling 28 days from the circulation date of this statement.

Circulation date: 9 MARCH 2018



THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

LINK ORTHOPAEDICS UK LTD

(as adopted by Special Resolution on 9 MARCH 2018)



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
LINK ORTHOPAEDICS UK LTD

(as adopted by Special Resolution passed on 2018)

I INTERPRETATION

1.1 Defined Terms

In these Articles, unless the context requires otherwise:

“A Director” means a Director appointed by the A Shareholder pursuant to Article 7.1;

“A Ordinary Shares” means A ordinary shares of £1.00 each in the capital of the Company;

“A Shareholder” means a holder of one or more A Ordinary Shares;

“Act” means the Companies Act 2006;

“Acting in Concert” shall have the meaning given to it in and shall be construed in accordance with the City Code on Takeovers and Mergers as if it applied in the relevant case;

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

“B Director” means a Director appointed by the B Shareholder pursuant to Article 7.1;

“B Ordinary Shares” means B ordinary shares of £1.00 each in the capital of the Company;

“B Shareholder” means a holder of one or more B Ordinary Shares;

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

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

“Buyer” has the meaning given to in Article 15.1;

“Capitalised Sum” has the meaning given to it in Article 18.1.1(b);

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

“Chairman of the meeting” has the meaning given in Article 19.3.3;

“Compulsory Purchase Interest” means Shares which confer in aggregate seventy five per cent (75%) or more of the total voting rights conferred by all the Shares in issue at the relevant time and conferring the right to vote at all general meetings of the Company;

“Concert Party” means any person with which any relevant person is Acting in Concert or would be so if the City Code on Takeovers and Mergers applied in the relevant case;

“Connected Person” means connected persons as defined by Sections 1122 and 1123 of the Corporation Tax Act 2010 and any Privileged Relations of these Connected Persons;

“Controlling Interest” means the ownership or control (directly or indirectly) of seventy five per cent (75%) or more of the total voting rights conferred by all the Shares in issue at the relevant time and conferring the right to vote at all general meetings of the Company;

“Default Transfer Notice” has the meaning given in Article 15.1;

“Default Transfer Price” means the price for the sale of shares as established pursuant to Article 14.2;

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

“Distribution Recipient” has the meaning given in Article 17.2.2;

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

“Family Trust” means in relation to any individual member or deceased individual member a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or under a testamentary disposition or on an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that member and/or a Privileged Relation of that member and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees of such trust as trustees or such member or his Privileged Relation;

“Fully Paid” in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid or credited as paid to the Company;

“Good Leaver Reason” means, in respect of an employee or director of any member of the Group (not including for the avoidance of doubt, any A Director), ceasing to be such an employee or director as a result of one or more of the following:

- (a) his death;
- (b) a registered medical professional who is treating that person giving a written opinion to the Company stating that that person has become physically or mentally incapable of acting as an employee or director and may remain so for more than six months except where such incapacity has been as a result of the abuse of drink or drugs;
- (c) retirement at 65 years of age or more;
- (d) wrongful or unfair dismissal or dismissal by reason of redundancy (in the case of an employee) or unlawful contractual termination (in the case of a director);
- (e) ceasing to be an employee or director to any company within the Group after 5 years following the date of adoption of these Articles or the date of commencement of employment or holding of office (whichever is the later) except where such cessation occurs in circumstances justifying summary dismissal (in the case of an employee) or termination of contract (in the case of a director);
- (f) the resignation of the director/employee by mutual agreement between the Company or any member of the Group and the director/employee in writing;
- (g) such other events or circumstances as the Directors consider, in their discretion, to be appropriate; and
- (h) the employee having a fixed term employment contract and such employment contract is terminated by the Company before the expiry of the fixed term and the employee is entitled to payment in lieu of the remainder of the term.

“Group” means the Company and each and every company which is from time to time a subsidiary, a holding company of the Company or a subsidiary of any such holding company (and **“member of the Group”** shall be construed accordingly);

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

“Member” means a member of the Company;

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

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

“Persons Entitled” has the meaning given in Article 18.1.1(b);

“Price” means the price for the sale of Shares as established pursuant to Article 13.2;

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

“Proxy Notice” has the meaning given in Article 20.4;

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

“Share Purchase Agreement” means the share purchase agreement entered into between James Malcolm, Gillian Malcolm, Christopher Malcolm, Sean Malcolm and the Company dated on or around the date of adoption of these Articles relation to the acquisition of the entire issued share capital of Ortholink (Scotland) Limited by the Company;

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

“Shareholders’ Agreement” means the shareholders’ agreement amongst the Company, James Malcolm and DERU GmbH dated on or around the date of adoption of these Articles, as amended and adhered to from time to time;

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

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

“Subsidiary” means any company which is for the time being a subsidiary (as defined in Section 1159 of the Act) of the Company and a company shall be treated for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the

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

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

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

“Transfer Notice” has the meaning given in Article 13.1; and

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

1.2 Construction

- 1.2.1 References to a document being executed include references to its being executed under hand or under seal or by electronic signature or by any other method and references to a document or instrument include references to any information in visible form whether having physical substance or not.
- 1.2.2 References to writing include references to any visible substitute for writing, including by way of an electronic communication, and to anything partly in one visible form and partly in another visible form.
- 1.2.3 Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include any company, corporate body, partnership, firm, government authority or society (whether incorporated or not).
- 1.2.4 Unless the context otherwise requires, words or expressions contained in these Articles which are not defined in Article 1.1 but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date of adoption of these Articles).
- 1.2.5 Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation include any modification or re-enactment of that provision for the time being in force.
- 1.2.6 Headings are inserted for convenience only and do not affect the construction of these Articles.

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

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

2 LIMITATION OF LIABILITY

Liability of members

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

3 DIRECTORS' POWERS AND RESPONSIBILITIES

3.1 Directors' general authority

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

3.2 Shareholders' reserve power

3.2.1 Subject to the Shareholders' Agreement, the Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action or actions.

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

3.3 Directors may appoint agents

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

3.4 Directors may delegate

3.4.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles to any committee consisting of one or more Directors or to any Director holding any executive office.

3.4.2 Unless the Directors specify otherwise, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated to any employee or agent of the Company.

3.4.3 Any delegation may be made subject to such terms and conditions as the Directors may specify and the Directors may at any time revoke any delegation in whole or part, or alter its terms and conditions.

3.5 Committees

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

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

3.6 Offices including the title "Director"

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

3.7 Borrowing powers

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

4 DECISION MAKING BY DIRECTORS

4.1 Directors to take decisions collectively

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

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

4.2 Unanimous decisions

- 4.2.1 A decision of the Directors is taken in accordance with this Article 4.2 when all Eligible Directors unanimously agree on such a decision.
- 4.2.2 Such a decision shall take the form of a resolution in writing, a copy of which have been signed by each Eligible Director, or several copies of which has been signed by one or more Eligible Directors, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.2.3 References in these Articles to Eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 4.2.4 A decision may not be taken in accordance with this Article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting convened to consider the decision.

4.3 Records of decisions to be kept

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

4.4 Directors' discretion to make further rules

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

5 DIRECTORS' MEETINGS

5.1 Calling a Directors' meeting

- 5.1.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.
- 5.1.2 Notwithstanding the provisions of Article 5.1.1, unless otherwise determined in respect of a specified meeting by the Board, meetings will be held at least at quarterly intervals.
- 5.1.3 Notice of any Directors' meeting must indicate:
 - (a) its proposed date and time;

- (b) where it is to take place;
 - (c) the agenda of the business to be transacted (together with, where practicable, all papers relating to the business to be considered); and
 - (d) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 5.1.4 Save where urgent business arises and such period of notice is impracticable, a minimum of seven days notice of a Directors' meeting must be given to each Director and shall be in writing.
- 5.1.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice in writing of that meeting, by giving notice to that effect to the Company prior to the date of the meeting or not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

5.2 Participation in Directors' meetings

- 5.2.1 Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with these Articles; and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 5.2.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other, provided that all parties participating in the Directors' meeting can speak to and be heard by all those participating in the meeting simultaneously.
- 5.2.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

5.3 Quorum for Directors' meetings

- 5.3.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 5.3.2 Save where a Default Transfer Notice has been served or deemed to have been served, the minimum quorum for Directors' meetings shall be two Eligible

Directors, one of whom shall be an A Director and one of whom shall be a B Director. In the event that a Default Transfer Notice has been served, or has been deemed to have been served, the minimum quorum for Directors' meetings shall thereafter be two eligible Directors, one of whom shall be an A Director.

- 5.3.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting, then the meeting shall be adjourned for seven Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors will constitute a quorum.

5.4 Chairing of Directors' meetings

- 5.4.1 The A Shareholder may appoint a Director to chair meetings of the Directors from time to time.
- 5.4.2 The person so appointed for the time being is known as the Chairman.
- 5.4.3 The A Shareholder may terminate the Chairman's appointment at any time and to appoint another person in his place.
- 5.4.4 If no Chairman is at that time appointed, or the Chairman is unwilling to preside at a meeting or the Chairman is not present within ten minutes of the time at which a Directors' meeting was to start, the Directors present shall appoint one of themselves to be the chairman of the meeting.

5.5 Chairman's casting vote

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

6 DIRECTOR'S INTERESTS

6.1 Disclosure of Director's Interests

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

- 6.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is any way interested;
- 6.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

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

6.2 Director's Conflict of Interest

- 6.2.1 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisations) authorise in writing, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director and without prejudice to Article 6.2.1(a) may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

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

- 6.2.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 6.2 then:
 - (a) the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a

breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

- (b) the Director may absent himself from Directors' meetings at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- (c) the Director may make such arrangement as such Director thinks fit for Directors' meeting and committee papers to be received and read by a professional adviser on behalf of that Director.

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

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

6.2.5 It is acknowledged for the purposes of this Article 6 that:

- (a) the A Directors are or will be directors and/or employees of the group of companies to which the A Shareholder belongs;
- (b) the A Directors are or may also be directors of Ortholink (Scotland) Limited (a Subsidiary); and
- (c) the B Director is a director of Ortholink (Scotland) Limited,

and any conflicts of interest on the part of any such Director arising as a result thereof be and are hereby authorised.

7 APPOINTMENT OF DIRECTORS

7.1 Methods of appointing Directors

7.1.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:

- (a) by Ordinary Resolution;
- (b) by a decision of the Directors; or
- (c) in accordance with Article 7.1.2 or 7.1.3.

- 7.1.2 The A Shareholder(s), as a class, shall be entitled at any time to appoint up to four persons as directors to the Board (and to any committee of the Board) and to remove any Director so appointed by them for any reason whatsoever and to appoint another person in his place (each an “**A Director**”).
- 7.1.3 The B Shareholder shall be entitled at any time, except where he is deemed to have served a Default Transfer Notice pursuant to Article 14, to appoint himself as director to the Board (the “**B Director**”).
- 7.1.4 In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.
- 7.1.5 For the purposes of Article 7.1.4, where two or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

7.2 Number of Directors

The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number of Directors shall be not less than one.

7.3 Retirement by rotation

The Directors shall not be required to retire by rotation.

7.4 Appointment of Director

Without prejudice to the provisions of Articles 7.1.2 or 7.1.3, no person shall be appointed as a Director by Ordinary Resolution unless either:

- 7.4.1 he is recommended by the Directors; or
- 7.4.2 seven days prior to the circulation of the relevant written resolution or the notice of general meeting to Shareholders, notice signed by a Shareholder qualified to vote on the Ordinary Resolution has been given to the Company of the identity of the person proposed to be appointed as a Director together with notice signed by that person of his willingness to be appointed.

7.5 Termination of Director's appointment

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

- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a Bankruptcy order is made against that person;
- (c) an arrangement or composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than six months;
- (e) in the case of a B Director, a Deemed Transfer Notice has been deemed to have been served by the appointing B Shareholder(s);
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (g) a decision is made by the Directors to remove that person from office.

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

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

7.6 **Directors' expenses**

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

- 7.6.1 meetings of Directors or committees of Directors;
- 7.6.2 general meetings; or

7.6.3 separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

8 ALTERNATE DIRECTORS

8.1 Appointment and removal of alternates

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

- (a) exercise that A Director’s powers; and
- (b) carry out that A Director’s responsibilities,

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

8.1.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

8.1.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

8.2 Rights and responsibilities of alternate director

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

8.2.2 Except as these Articles specify otherwise, alternate directors:

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

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

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

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

8.2.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

8.3 Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

- 8.3.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 8.3.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
- 8.3.3 on the death of the alternate's Appointor;
- 8.3.4 when the alternate's Appointor's appointment as a Director terminates; or
- 8.3.5 if he resigns his office by notice in writing to the Company.

9 SHARES AND DISTRIBUTIONS

9.1 Share Capital

The share capital of the Company shall consist of A Ordinary Shares and B Ordinary Shares, each being entitled to the rights and being subject to the restrictions set out in these Articles.

9.2 Voting

9.2.1 The Holders of the A Ordinary Shares and B Ordinary Shares shall be entitled to receive notice of and to attend and speak at all general meetings of the Company.

9.2.2 The Holders of the A Ordinary Shares and B Ordinary Shares who (being individuals) are present in person or by proxy or (being a corporation) are present by duly authorised representatives or by proxy shall:

- (a) on a show of hands, have one vote each; and
- (b) on a poll have one vote each for every A Ordinary Share or B Ordinary Share held (as the case may be).

9.3 Capital

On a distribution of capital on liquidation or capital reduction or other return or distribution of capital or assets, the assets shall be distributed among the Shareholders pro rata to the number of shares held by each of them and *pari passu* as if all of such shares constituted a single class.

9.4 Dividends

The profits of the Company available for distribution and resolved to be distributed in respect of any financial year of the Company shall be distributed among the holders of the A Ordinary Shares and B Ordinary Shares (*pari passu* as if the same constituted one class of shares) according to the number of shares held by the relevant Shareholder at the relevant time.

9.5 All shares to be fully paid up

- 9.5.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- 9.5.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

9.6 Powers to issue different classes of share

- 9.6.1 Subject to the Shareholders' Agreement and these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by Special Resolution.
- 9.6.2 Subject to the Shareholders' Agreement, the Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, on such terms and in such manner as may be determined by these Articles or as the Company may by Special Resolution determine.

9.7 Class Rights

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

9.8 Trusts may be recognised

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

9.9 Share certificates

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

9.9.2 Every certificate must specify:

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

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

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

9.9.5 Certificates must:

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

9.10 Replacement share certificates

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

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

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

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

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

10 ISSUE OF SHARES

10.1 Allotment of Shares

The Directors are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to offer, allot, grant options over B Ordinary Shares and/or rights to subscribe for or convert securities into B Ordinary Shares or otherwise dispose of any B Ordinary Shares up to an aggregate nominal value of £661,234 to such persons, at such times and for such consideration as the Directors may determine (subject to the terms of these Articles) but so that no B Ordinary Share shall be issued in contravention of Section 553 of the Act. This authority shall, unless revoked or varied in accordance with Section 551 of the Act, expire five years from the date of the adoption of these Articles, but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the Directors after such

anniversary of their powers in pursuance of the said authority. Section 550 of the Act shall not apply to the Company.

10.2 Purchase of own shares

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

10.3 Procedure for Allotment of Shares

Subject to the Shareholders' Agreement, Shares shall only be allotted, whether for cash or otherwise, with (a) the prior written consent of the Shareholders; or (b) in accordance with the provisions of this Article:

- 10.3.1 all Shares to be allotted (the **"Offer Shares"**) shall first be offered to the members of the Company in proportion, as nearly as may be, to their existing holdings of Shares (the **"Initial Offer"**);
- 10.3.2 the Initial Offer shall be made by written notice (the **"Offer Notice"**) from the Directors specifying the number and price of the Offer Shares and the proportionate entitlement of the relevant member and shall invite each member to state in writing within a period not being less than 14 days whether they are willing to accept any Offer Shares and if so what the maximum number of the Offer Shares they are willing to accept is. In the event that a member does not so respond to the Offer Notice within the period prescribed in it, the Initial Offer shall be deemed to be declined by that member;
- 10.3.3 after the expiration of the time specified for acceptance in the Offer Notice, the Directors shall offer the Offer Shares which have been declined or are deemed to be declined to each of the members who shall have within the period specified in the Offer Notice expressed their willingness to purchase all of the Offer Shares offered to them (the **"Further Offer"**). Such Further Offer shall be made on the same terms as the Initial Offer and shall invite each such member to state in writing within a period not being less than 14 days whether they are willing to accept any, and if so what maximum number, of the Offer Shares so offered;
- 10.3.4 at the expiration of the time specified for acceptance in the Offer Notice or Further Offer (as applicable) the Directors shall allot the Offer Shares to or amongst the members who shall have notified to the Directors their willingness to take any of the Offer Shares but so that no member shall be obliged to take more than the maximum number of Shares notified by him under Article 10.3.2 and 10.3.3;
- 10.3.5 in the event of competition for any Offer Shares to which Article 10.3.3 applies then such Shares shall be allocated amongst the competing members pro rata to their holdings of the relevant Shares prior to commencement of the Initial Offer;

10.3.6 the Directors shall make such arrangements as they in their discretion shall think fit concerning entitlement to fractions of shares, overseas members and members unable by law or regulation to receive or accept any offer pursuant to this Article 10.3;

10.3.7 subject to the provisions of this Article and Section 551 of the Act the Directors shall be entitled to dispose of any Shares that remain unissued following an Initial Offer and Further Offer to such persons on such terms and in such manner as they think fit save that such Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the members pursuant to the Initial Offer and the Further Offer and declined by them and such disposal must take place within six months of the date of the Offer Notice in respect of such Shares.

10.4 Dissapplication of Section 561

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

10.5 No Renunciation of Allotment

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

11 TRANSFER OF SHARES

11.1 Share transfers

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

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

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

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

11.2 Transmission of Shares

- 11.2.1 Subject to the provisions of these Articles, if title to a Share passes to a Transmittée, the Company may only recognise the Transmittée as having any title to that Share.
- 11.2.2 Subject to the provisions of these Articles, a Transmittée who produces such evidence of entitlement to Shares as the Directors may properly require:
- (a) may choose either to become the Holder of those Shares or to have them transferred to another person; and
 - (b) pending any transfer of the Shares to another person and subject to Article 11.2.3, has the same rights as the Holder had.
- 11.2.3 Transmittées do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the Holder's death or Bankruptcy or otherwise, unless they become the Holders of those Shares.

11.3 Exercise of Transmittées' rights

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

11.4 Transmittées bound by prior notices

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

11.5 Refusal to register

The Directors shall refuse to register any transfer of Shares in contravention of the provisions of these Articles but shall not otherwise be entitled to refuse to register any transfer of Shares, unless they have substantial reasons for believing that a transfer

purportedly made in accordance with any such provision is not in fact in a material respect in accordance therewith, in which event they shall decline to register such transfer.

11.6 Disposal of whole interest only

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

11.7 Attempted disposal of interest in Shares

If a member at any time attempts to deal with, or dispose of, a Share or any interest therein or right attaching thereto otherwise than in accordance with the provisions of these Articles or if a circumstance arises where a Transmtee (who is not a person to whom Shares may be transferred in accordance with Article 12) becomes entitled to a Share or any interest therein or right attaching thereto, he shall be deemed immediately prior to such attempt or on the circumstance arising (as relevant) to have given a Transfer Notice (as defined in Article 13.1) in respect of such Shares.

11.8 Provision of information

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

11.9 Transfers in security

No B Shareholder may enter into a deed of charge or similar arrangement involving or which may involve the transfer of any B Ordinary Shares in security without the prior written consent of the A Shareholders, and the Directors shall refuse to register any such transfer unless the prior written consent of the A Shareholders has been obtained. An A Shareholder shall be entitled to enter into such an arrangement without requiring any prior written consent from any person.

11.10 Member to notify

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

11.11 Receipt of deemed Transfer Notice

Where a Transfer Notice in respect of any Share is deemed or required to have been given under any provision of these Articles and the circumstances are such that the Directors are unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the Directors on the date on which the Directors actually became aware of such facts and the provisions of Article 13 shall apply accordingly.

11.12 Re-designation of Ordinary Shares

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

12 PERMITTED TRANSFERS

12.1 Permitted transfers

Shares may at any time be transferred without the giving of a Transfer Notice under Article 13.1 where said transfer is:

- 12.1.1 by any individual member (not being, in relation to the Shares concerned, a Holder thereof as a trustee of any Family Trust or a nominee or bare trustee) to a Privileged Relation of such member; or
- 12.1.2 by any individual member (not being, in relation to the Shares concerned, a Holder thereof as a trustee of any Family Trust or a nominee or bare trustee) to be held upon a Family Trust related to such individual member; or
- 12.1.3 by any member being a company (not being in relation to the Shares concerned a Holder thereof as a trustee of any Family Trust or a nominee or bare trustee) to a Member of the Same Group as the Transferor Company; or
- 12.1.4 by a Beneficial Shareholder to a person as the nominee of, or bare trustee for, that Beneficial Shareholder and by any such nominee or bare trustee to such Beneficial Shareholder or to another nominee or bare trustee for such Beneficial Shareholder; or

- 12.1.5 permitted under the terms of the Shareholders' Agreement or the Share Purchase Agreement.

12.2 Family Trusts

Where Shares are held by trustees of a Family Trust, the trustee and their successors in office may (subject to the provisions of Article 12.1) transfer all or any of the Relevant Shares without the giving of a notice under Article 13.1 as follows:

- 12.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees;
- 12.2.2 to the trustees for the time being of any other trust being a Family Trust in relation to the same individual member or deceased or former member; and
- 12.2.3 to the relevant member or former member who made the original transfer permitted pursuant to Article 12.1 or any Privileged Relation of such relevant member or deceased or former member.

12.3 Cessation of permitted transfer relationship

If following any transfer of Shares permitted pursuant to this Article 12:

- 12.3.1 any of the Relevant Shares come to be held otherwise than upon a Family Trust related to the relevant member or former or deceased member;
- 12.3.2 a Transferee Company ceases to be a Member of the Same Group as the Transferor Company;
- 12.3.3 any person to whom Shares are transferred as a nominee or bare trustee ceases to hold any of the Relevant Shares absolutely on behalf of the relevant Beneficial Shareholder,

in each case other than as permitted by or in accordance with the provisions of these Articles it shall be the duty of the relevant member and the former Holder of the Relevant Shares to notify the Directors in writing that such event has occurred. Within three months of service of such notice or the date on which the Directors otherwise become aware that such event has occurred (unless the Relevant Shares are transferred within six weeks of the occurrence of such event to the relevant member or former Holder of the Relevant Shares or to any person to whom a transfer of Shares by such relevant member or former Holder of the Relevant Shares would be permitted pursuant to this Article 12, any such transfer being deemed to be authorised under the foregoing provisions of this Article 12) the Directors shall be entitled to determine that the trustees of the former Family Trust, the former Privileged Relation, the Transferee Company or the former nominee or bare trustee (as the case may be) shall be deemed to have given a Transfer Notice in respect of the Relevant Shares.

12.4 If following any transfer of Shares permitted pursuant to this Article 12 any person to whom Shares are transferred as a Privileged Relation:

12.4.1 ceases to be a Privileged Relation of the relevant Holder or former Holder;

12.4.2 dies; or

12.4.3 the relevant Holder or former Holder notifies the Directors in writing that he has resolved that such Shares are to transfer back to him,

in each case the relevant Holder or former Holder shall notify Board and the Relevant Shares shall be deemed to have automatically transferred to the Holder or former Holder at nil value the date before the relevant event or resolution (as applicable) and a Transfer Notice shall not be given or deemed given in respect of the Relevant Shares. Any transfer pursuant to this Article 12.4 shall: (a) constitute the Holder or former Holder as the agent of the relevant Privileged Relation for the transfer of the Relevant Shares and it shall confer upon the Holder or former Holder the right to take such actions and enter into any such document or agreement as is necessary to effect the provisions of this Article 12.4; and (b) the Directors will approval all matters relating to the transfer of the Relevant Shares, including but not limited to, the issuing of a share certificate for the Relevant Shares and updating the register of members.

12.5 Notwithstanding the provisions of these Articles, any Shareholder may transfer any Shares to any person with the prior written consent of the A Shareholder(s).

13 PRE-EMPTION RIGHTS

13.1 Transfer notice

Save as otherwise provided in these Articles (including, for the avoidance of doubt, pursuant to Article 14 (Compulsory Transfer) and Article 16 (Compulsory Purchase)), any B Shareholder wishing to transfer part or all of the B Ordinary Shares held by him (the “**Transferor**”) shall first give a notice in writing (a “**Transfer Notice**”) to the A Shareholders and the Company specifying the number of Shares which the Transferor wishes to sell (the “**Sale Shares**”) and, in the event that the Transferor shall have reached an agreement or an arrangement with a third party for a sale of the Sale Shares to such third party, the Transferor shall state in the notice the name of such third party, the price per Share at which the Sale Shares are proposed to be sold to such third party and all other material terms of the proposed transfer. A Transfer Notice which is deemed to be given or required to be given under the terms of these Articles shall be in respect of all Shares held by the relevant Shareholder who is the Transferor or any Connected Person or his or their nominee or bare trustee or any Shareholder to whom Shares have been transferred by the Transferor pursuant to Article 12.1. A Transfer Notice shall constitute the Company (acting through the Directors) as the agent of the Transferor for the sale of the Sale Shares at the Price (such price to be determined in accordance with the provisions of Article 13.2).

13.2 Determination of the price

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

13.2.1 the price per Share (if any) specified in the Transfer Notice in accordance with the foregoing provisions; or

13.2.2 if:

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

named purchaser in addition to the price per Share set out in the Transfer Notice),

such sum per Share as shall be agreed between the Transferor and the Directors or, failing agreement, within 14 days of the Transfer Notice being given or the Transfer Notice being deemed to be given, as shall be determined by an independent share valuation expert ("**Expert**") to be the "adjusted fair value" of the Sale Shares in accordance with the provisions of this Article 13.2 divided by the number of Sale Shares in question.

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

The Expert shall be required to determine the Price within 30 days of his appointment and shall notify the Directors and Shareholders of his determination in writing with written reasons therefor.

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

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

- 1 the fair value shall not be adjusted to reflect expected costs that will be incurred in transferring the Sale Shares;
- 2 the valuation technique(s) selected to estimate fair value shall incorporate the factors that market participants would consider in setting a price including, but not limited to, any estimates and assumptions used. This does not preclude the calculation of fair value reflecting the lack of marketability/liquidity of a private Company's shares compared with a public Company's shares;
- 3 the Expert shall rely on the following assumptions:
 - 3.1 the sale is between a willing seller and a willing purchaser; and
 - 3.2 the sale is taking place on the date of the Transfer Notice.

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

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

13.3 **Total transfer provision**

A Transfer Notice once given or a Transfer Notice once deemed to be given shall not be revocable but, save for Shares sold pursuant to a Transfer Notice deemed or required to be given under these Articles, the Transfer Notice may contain a provision (a "**Total Transfer Provision**") that unless all or a specified number of the Sale Shares are sold by the Company pursuant to Article 13 none shall be sold and the Transfer Notice shall in such circumstances be treated as withdrawn. Any such provision shall be binding on the Company.

13.4 **Withdrawal of Transfer Notice**

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

13.5 **More than one Transfer Notice**

In the event that more than one Transfer Notice is served, or deemed to be served, by a Transferor, an offer made pursuant to this Article 13 (if not accepted in respect of all Shares to which all of the Transfer Notices relate) may only be accepted in respect of the Shares comprised in each Transfer Notice according to the ratio which the aggregate number of Shares so accepted bears to the aggregate number of Shares comprised in all the Transfer Notices.

13.6 **Offer of Sale Shares**

Within 14 days of the date that the Transfer Notice is received by the Company or the date the Transfer Notice is deemed to have been given or within seven days after the Price of the Shares is determined pursuant to Article 13.2, whichever is the later, (and provided the Transfer Notice has not been withdrawn pursuant to Article 13.4) the Sale Shares shall be offered to the A Shareholders and the following provisions shall apply:

13.6.1 The Sale Shares shall be offered to the A Shareholders in a proportion which is as nearly as practicable equal to their existing holdings of A Ordinary Shares (calculated as at the date immediately prior to the date of the Members' Offer Notice, as defined below), without involving fractions. Such offer shall be made by notice in writing (the "**Members' Offer Notice**") which shall:

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

13.6.2 Any Sale Shares which have not been accepted within the time period specified in Article 13.6.1(d) shall, within seven days of the expiry of the time period specified in Article 13.6.1(d), be offered by notice in writing at the Price to each of the A

Shareholders who have accepted all the Sale Shares initially offered to them (the “**Further Offer Members**”). Such notice shall invite the Further Offer Members to state in writing within a period of seven days whether they are willing to accept any Sale Shares and if so what the maximum number of Sale Shares they are willing to take is. In the event of competition among the Further Offer Members for Sale Shares to which this Article 13.6.2 applies then such Shares shall be allocated amongst the competing Further Offer Members pro rata to their holdings of the relevant Shares calculated as at the date immediately prior to the date of the Members’ Offer Notice.

13.6.3 Any Sale Shares which have not been accepted within the time period specified in Article 13.6.1(d) or Article 13.6.2 (where applicable) shall within seven days of the expiry of the time period specified in Article 13.6.1(d) or Article 13.6.2 (where applicable) be offered by notice in writing at the Price to the Company. Such notice shall:

- (a) state the Price;
- (b) state the number of Sale Shares;
- (c) state whether the Sale Shares are subject to a Total Provision and whether the Transfer Notice relating to the Sale Shares was required or deemed to be given; and
- (d) invite the Company to state in writing with a period being not less than 14 days nor more than 21 days, whether they are willing to accept any Sale Shares and, if so, what maximum number of such Sale Shares they are willing to take is.

13.7 **Notification of Purchasers**

If the Company shall find purchasers in respect of, any of the Sale Shares, within the relevant offer periods set out in Article 13.6, it shall not later than seven days after the expiry of the relevant offer periods set out in Article 13.6 give notice in writing thereof (the “**Sale Notice**”) to the Transferor which notice shall provide:

- 13.7.1 the number of Sale Shares accepted and the name(s) and address(es) of the purchasers, together with the number of Shares purchased by each purchaser;
- 13.7.2 if the Transfer Notice contains a Total Transfer Provision, that the Transfer Notice is revocable by written notice to the Company being received within seven days of receipt of the Sale Notice (if not all the Sale Shares have been accepted); and
- 13.7.3 if the Transferor is entitled to do so and does not revoke his Transfer Notice in writing within the period specified Article 13.7.2 or if the Transferor is not entitled to revoke the Transfer Notice, that he shall be bound upon payment of the Price

due in respect of all the Sale Shares to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to the purchaser or purchasers.

The purchase shall be completed within 14 days of the date of the Sale Notice at a place and time to be appointed by the Directors when, against payment of the Price and any relevant stamp duties, the Transferor shall deliver transfers in favour of the purchaser(s) together with the share certificates in respect of the relevant Sale Shares or an indemnity in respect of a lost share certificate in favour of the Company on terms acceptable to the Directors and the purchaser(s) shall be registered as the Holders of the relevant Sale Shares in the register of members of the Company and share certificates in the names of such purchaser(s) and in respect of the relevant Sale Shares shall be delivered to the relevant purchaser(s).

In the case of a transfer of Sale Shares pursuant to Article 13.6.3, the Company shall be entitled at the discretion of the Board to cancel any Sale Shares purchased by it or hold such shares as treasury shares.

13.8 Purchasers not found for the Sale Shares

If the Company shall not find purchasing member(s) for all of the Sale Shares within the relevant time periods specified in Article 13.6 or if through no default of the Transferor the purchase of any of the Sale Shares is not completed within the time period specified in Article 13.7, then, provided that a period of five years has passed from the date of the adoption of these Articles to the date on which the Transfer Notice was served or deemed served, the Transferor shall be at liberty at any time within three months after the expiry of such relevant time period to transfer such of the Sale Shares as were not sold or in respect of which the sale was not completed as aforesaid or, in any case where the Transfer Notice contained a Total Transfer Provision which is not revoked, all of the Sale Shares a *bona fide* third party purchaser (a "**Third Party Purchaser**") of a *bona fide* sale at the Price or any higher price and otherwise on the terms set out in the Sale Notice. If the Sale Shares were the subject of a Total Transfer Provision, such a sale may only comprise all of the Sale Shares and not part only.

The Directors may require to be satisfied that the Sale Shares are being transferred pursuant to a *bona fide* sale to a Third Party Purchaser upon the material terms and for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer.

The provisions of this Article 13.8 shall not apply in the case of a Transfer Notice deemed or required to be given under the terms of these Articles.

For the avoidance of doubt, no B Ordinary Shares shall be transferred to a Third Party Purchaser within a period of five years from the date of the adoption of these Articles to the date on which the Transfer Notice was served, without the prior written consent of the A Shareholder.

13.9 Failure to transfer

If the Transferor, after becoming bound to transfer any Sale Shares to a purchaser(s), shall make default in so doing or shall fail to deliver a share certificate(s) in respect thereof (or, if applicable, an indemnity in respect of a lost share certificate(s)) within the time limit referred to in Article 13.7 the Directors shall authorise some person to execute and deliver on the Transferor's behalf transfer(s) of the Sale Shares in favour of the purchaser(s) and shall receive the purchase money and thereupon shall, subject to such transfer(s) being duly stamped, enter the names of the purchaser(s) in the register of members as the Holder(s) of the relevant Sale Shares. The Transferor shall in such case be bound to deliver up his certificate for the Sale Shares to the Directors whereupon the Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Transferor but without interest. If such certificate(s) shall comprise any B Ordinary Share which the Transferor has not become bound to transfer as aforesaid the Company shall issue to the Transferor a certificate for the balance of such Shares. The receipt by the Company of the purchase money shall be a good discharge to the purchaser(s) who shall not be bound to see the application thereof and after the name of the purchaser(s) has been entered on the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

14 COMPULSORY TRANSFER

14.1 Default Transfer Notice

In any case where a B Shareholder who is an employee or director of any member of the Group:

- 14.1.1 ceases to be an employee or director of any member of the Group;
- 14.1.2 is sequestered or has a compulsory order made against him, or an arrangement or composition is made with his creditors, or he otherwise takes the benefit of any statutory provision for the time being for the benefit of insolvent debtors;
- 14.1.3 is convicted of a criminal offence that carries a custodial sentence of six months or more;
- 14.1.4 is in material or persistent breach of the obligations under his service or employment contract which, if capable of remedy, has not been so remedied with 10 Business Days of notice to remedy being given by the Company;
- 14.1.5 is in material or persistent breach of his obligations under the Articles of any member of the Group or the Shareholders' Agreement,

he, and any member with which he is a Connected Person or his or their nominee or bare trustee or any Shareholder to whom Shares have been transferred by such B Shareholder pursuant to Article 12.1, shall be deemed to have served a Transfer Notice pursuant to

Article 13 (a “**Default Transfer Notice**”) on the date on which the relevant event listed above takes place, in respect of his and such persons’ entire holding of Shares and in respect of all Shares he shall have transferred to a Privileged Relation or to trustees to be held on a Family Trust or in security pursuant to Article 11.9 and any additional Shares issued to such Privileged Relation or Family Trust by way of capitalisation, consolidation or subdivision or acquired by such person in exercise of any right or option granted or arising by virtue of the holding of Shares so transferred or any of them or the membership thereby conferred. Article 13 shall apply save that a Transfer Notice deemed to be given in the circumstances herein referred to shall not be capable of revocation. The provisions of Article 13 shall apply *mutatis mutandis* to any transfer of Shares whether under this Article 14 save that the Price shall be replaced with the relevant Default Transfer Price pursuant to Article 14.2.

14.2 Default Transfer Price

14.2.1 The Default Transfer Price at which the Sale Shares are to be sold in the event of a Transfer Notice being deemed to have been served under this Article 14, other than as a result of a Good Leaver Reason, shall be the lower of (i) the Price as agreed or determined pursuant to Article 13, and (ii) the subscription or acquisition price of the Sale Shares (or, in the event that the Sale Shares were subscribed for or acquired at different prices, the average subscription and acquisition price of the Sale Shares).

14.2.2 In the event of the Transfer Notice being deemed to have been served as a result of a Good Leaver Reason, the Default Transfer Price shall be the higher of (i) the Price as agreed or determined pursuant to Article 13; and (ii) the subscription or acquisition price of the Sale Shares (or, in the event that the Sale Shares were subscribed for or acquired at different prices, the average subscription and acquisition price of the Sale Shares).

15 CHANGE OF CONTROL

15.1 Offer to be made to minority shareholders

Notwithstanding any other Article, no sale or transfer of any Shares (the “**Specified Shares**”) to any person (other than existing Shareholder as at the date of the adoption of these Articles or their Connected Person) (the “**Buyer**”) which would result in the Buyer (taken together with any Connected Person or Concert Party) obtaining a Controlling Interest shall be made or registered without the previous written consent of all of the members of the Company unless before the transfer is lodged for registration the Buyer (or his nominees) makes an irrevocable offer to the other members to purchase all their Shares (together with any Shares which may be issued to option holders if the requisite number of members accept the offer) at the Specified Price (as defined in Article 15.2). The Buyer shall serve written notice on the Company requiring the Company (by the Directors) as agent for the Buyer to serve notices on the other members setting out such offer. The Company shall serve such offer in writing forthwith and such offer shall state it is capable of written acceptance for a period of 14 days from the service of the notice of the offer or if

later within 14 days of the determination of the Specified Price by an expert pursuant to Article 15.2. A member who fails to accept any such offer within the period for acceptance shall be deemed to have rejected it. Such offer shall not be made conditional upon all or any of the members accepting it or any other condition and shall be on terms that it may be accepted by each member in respect of all or any part of his holding of Shares. The consideration shall be payable in cash in full without any set off within 21 days of acceptance of the offer.

15.2 Calculation of the specified price

In Article 15.1, the expression the “**Specified Price**” shall mean a cash price per Share at least equal to the higher of (i) the value of the consideration offered by the Buyer or transferees or any third party (as the case may be) or his or their nominees for the Specified Shares to the holder(s) thereof (and/or any Connected Person or Concert Party) together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder(s) of the Specified Shares or any Connected Person or Concert Party of the said holder(s) which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the consideration for the Specified Shares; and (ii) the subscription or acquisition price of the Specified Shares (or, in the event that the Specified Shares were subscribed for or acquired at different prices, the average subscription and acquisition price of the Sale Shares). In the event of a disagreement between the purchaser and any member as to the Specified Price notified by *any member in writing to the Directors within the period of 28 days from the service of the notice of the offer*, the calculation of the Specified Price shall be referred by the Directors to an Expert. The Expert shall state in writing his opinion of the Specified Price. In so stating his opinion the Expert shall be deemed to act as an expert and not as an arbitrator and, save in the case of fraud or manifest error, his determination shall be final and binding on all concerned. For this purpose the Expert shall be given by the Directors all information he may reasonably require, together with such information as any member of the Company may wish to provide to him. The Expert shall be entitled to determine the procedure to be followed in arriving at this decision and to appoint legal or other advisers. The costs involved in the Expert’s determination of the Specified Price (including the Expert’s expenses and the costs of any advisers to the Expert) shall, be borne by all the members of the Company on the date on which notice is served by the Company on the members pursuant to Article 15.1 (in proportion to their respective shareholdings).

15.3 Completion of offer

The Buyer shall complete the purchase of all Shares in respect of which such offer is accepted before or at the same time as the Buyer completes the purchase of the Shares the proposed transfer of which required a written offer to be made pursuant to this Article 15. Any transfer pursuant to such written offer shall not require the proposing transferor to give a Transfer Notice under Article 13. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred to the Buyer pursuant to Article 15.1 until, in each

case, the Buyer has, in the Directors' opinion, fulfilled all his obligations pursuant to this Article 15.

16 COMPULSORY PURCHASE

16.1 Compulsory Purchase Notice

If, as a result of an offer made pursuant to Article 15.1, a Buyer acquires a Compulsory Purchase Interest the Buyer may by written notice to the Company require the Company (by the Directors) as agent for the Buyer to serve notices (each a "**Compulsory Purchase Notice**") on Holders of Shares who have not accepted such offer (the "**Minority Shareholders**") requiring them to sell such Shares at the Specified Price to any person notified by the Buyer. The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchaser Notices the Minority Shareholders shall not be entitled to transfer their Shares to anyone except the person notified by the Buyer.

16.2 Completion of Compulsory Purchase

The Buyer shall complete the purchase of all Shares in respect of which a Compulsory Purchase Notice has been given at the same time and no later than 21 days from the date of the serving of such Compulsory Purchase Notices. The consideration shall be payable in cash in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice under Article 13. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred to the Buyer until in each case the Buyer has, in the Director's opinion, fulfilled all his obligations pursuant to this Article 16.

16.3 Failure to comply with Compulsory Purchase Notice

If in any case a Minority Shareholder, on the expiration of 28 days from the service of the Compulsory Purchase Notice, shall have not transferred his Shares to the person notified by the Buyer against payment of the price therefor, the Directors may authorise some person to execute and deliver on the Minority Shareholders behalf any necessary transfer in favour of the Buyer or the person notified by the Buyer and shall receive the purchase money in respect of such Share and shall thereupon (subject to the transfer being duly stamped) cause the name of the Buyer (or the person identified by the Buyer) to be entered into the register of members as the Holder of the relevant Shares. The Company shall hold the purchase money in trust for the Minority Shareholder but shall not be bound to earn or pay interest thereon. The receipt of the Company of the purchase money shall be a good receipt for the price for the relevant Shares but the Buyer shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder which shall be made against delivery by the Minority Shareholder of the certificate in respect of the relevant Shares or an indemnity in respect of the same. After the name of the Buyer or the person

identified by the Buyer has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

17 DIVIDENDS AND OTHER DISTRIBUTIONS

17.1 Procedure for declaring dividends

- 17.1.1 Subject to the provisions of the Act, the Company, with the prior written consent of each A Shareholder, may by Ordinary Resolution declare dividends in respect of one or more classes of shares, and the Directors may decide to pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.
- 17.1.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 17.1.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 17.1.4 Unless the terms on which Shares are issued specify otherwise, dividends must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 17.1.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 17.1.6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 17.1.7 If the Directors act in good faith, they do not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

17.2 Payment of dividends and other distributions

- 17.2.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:
 - (a) transfer to a bank or building society account specified by the Distribution Recipient in writing;
 - (b) sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a Holder of the Share), or (in any

other case) to an address specified by the Distribution Recipient in writing;

- (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
- (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

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

- (a) the Holder of the Share; or
- (b) if the Share has two or more joint Holders, whichever of them is named first in the register of members; or
- (c) if the Holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittee.

17.3 No interest on distributions

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

17.4 Unclaimed distributions

17.4.1 All dividends or other sums which are:

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

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

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

17.4.3 If:

- (a) 12 years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the Distribution Recipient has not claimed it,

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

17.5 Non-cash distributions

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

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

- (a) fixing the value of any assets;
- (b) paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

17.6 Waiver of distributions

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

17.6.1 the Share has more than one Holder; or

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

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

18 CAPITALISATION OF PROFITS

18.1 Authority to capitalise and appropriation of capitalised sums

18.1.1 Subject to these Articles and the provisions of the Act, the Directors may:

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

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

18.1.2 Capitalised Sums must be applied:

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

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

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

18.1.5 Subject to these Articles, the Directors may:

- (a) apply Capitalised Sums in accordance with Articles 18.1.3 and 18.1.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the Persons Entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article.

19 ORGANISATION OF GENERAL MEETINGS

19.1 Attendance and speaking at general meetings

19.1.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

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

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

19.1.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

19.1.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

19.1.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

19.2 **Quorum for general meetings**

No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Subject to Section 318(1) of the Act, one A Shareholder being a qualifying person not excluded from counting towards a quorum under Section 318(2) of the Act shall be a quorum.

19.3 **Chairing general meetings**

19.3.1 If the Directors have appointed a Chairman pursuant to Article 5.4, the Chairman shall chair general meetings if present and willing to do so.

19.3.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

- (a) the Directors present; or
- (b) if no Directors are present, the Shareholders present,

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

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

19.4 Attendance and speaking by Directors and non-Shareholders

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

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

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

to attend and speak at a general meeting.

19.5 Adjournment

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

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

- (a) the meeting consents to an adjournment; or
- (b) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

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

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

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

19.5.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

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

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

20 VOTING AT GENERAL MEETINGS

20.1 Voting: general

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

20.2 Errors and disputes

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

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

20.3 Poll votes

20.3.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

20.3.2 A poll may be demanded by:

- (a) the Chairman of the meeting;
- (b) the Directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.

20.3.3 A demand for a poll may be withdrawn if:

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

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

20.4 **Content of Proxy Notices**

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

- (a) states the name and address of the Shareholder appointing the proxy;
- (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

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

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

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

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any amendment to a resolution and on ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

20.5 **Delivery of Proxy Notices**

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

- 20.5.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- 20.5.3 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 20.5.4 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 20.5.5 If a Proxy Notice or a notice revoking a proxy appointment is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the Appointor's behalf.

20.6 Amendments to resolutions

- 20.6.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine); and
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.
- 20.6.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:
- (a) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 20.6.3 If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

20.7 Records of members

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

21 ADMINISTRATIVE ARRANGEMENTS

21.1 Means of communication to be used

- 21.1.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 21.1.2 Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 21.1.3 The times of deemed delivery of documents and information specified in Sections 1147(2) and 1147(3) of the Act shall be amended as follows:
 - (a) subject to the other requirements of Section 1147(2) of the Act, documents or information set by first class post to an address in the UK shall be deemed to have been received by the intended recipient 24 hours after it was posted;
 - (b) subject to the other requirements of Section 1147(2) of the Act, documents or information set by second class post to an address in the UK shall be deemed to have been received by the intended recipient 48 hours after it was posted; and
 - (c) subject to the other requirements of Section 1147(3) of the Act, documents or information sent or supplied by electronic means shall be deemed to have been received 24 hours after it was sent.

21.2 Company seals

- 21.2.1 Any common seal may only be used by the authority of the Directors.
- 21.2.2 The Directors may decide by what means and in what form any common seal is to be used.
- 21.2.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 21.2.4 For the purposes of this Article, an authorised person is:
 - (a) any Director of the Company;

- (b) the Company secretary (if any); or
- (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

21.3 No right to inspect accounts and other records

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

21.4 Provision for employees on cessation of business

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

22 INSURANCE AND INDEMNITY

22.1 Insurance

Without prejudice to the provisions of Article 22.2, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

- 22.1.1 a Director, officer or employee of the Company or any Associated Company; or
- 22.1.2 a trustee of any pension fund in which employees of the Company or any Associated Company is or has been interested,

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

22.2 Indemnity

- 22.2.1 Every Director or other officer or auditor of the Company or any Associated Company shall be entitled, if determined by the Directors and to the extent so determined by the Directors, to be indemnified out of the assets of the Company to the fullest extent permitted by Sections 232, 233, 234 and 532 of the Act against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with

any application under Section 661 or Section 1157 of the Act in which relief is granted to him by the court and such indemnity shall extend (if so determined) to former Directors, other officers and auditors of the Company or of any Associated Company. No Director, former director or other officer or former officer shall be liable for any loss, damage or misfortune which shall happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

22.2.2 The Directors shall have power in accordance with Section 233 of the Act to purchase and maintain for any Director or former director or other officer or former officer of the Company or of any Associated Company insurance against any such liability as is referred to in Section 232 of the Act.

22.2.3 The Company is authorised to enter into a loan arrangement with a Director, former director or other officer or former officer of the Company or of any Associated Company, but only on terms that comply in full with Section 205 of the Act, to enable that Director, former director or other officer or former officer to meet any liability incurred in defending such proceedings or making such application for relief as that liability is incurred.

This Article 22 shall only have effect to the extent that its provisions are not avoided by Section 232, 233, 234 and 532 of the Act.