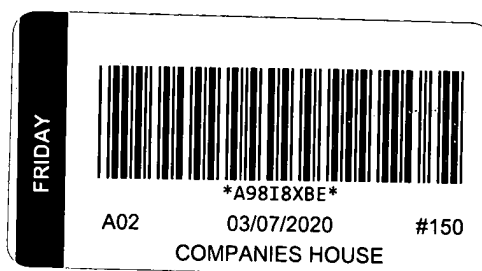


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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
EASTON RENEWABLE ENERGY LIMITED (Company)

INTRODUCTION

1. Interpretation

1.1 In these Articles, unless the context otherwise requires:

A Ordinary Shares: has the meaning given in article 16.1;

Act: means the Companies Act 2006;

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

B Ordinary shares: has the meaning given in article 16.1;

Director: any director appointed to the Company by the holders of the Ordinary Shares who may vote and form part of the quorum in accordance with these Articles;

Ordinary Shares: has the meaning given in article 16.1;

Business Day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Conflict: has the meaning given in article 9.1;

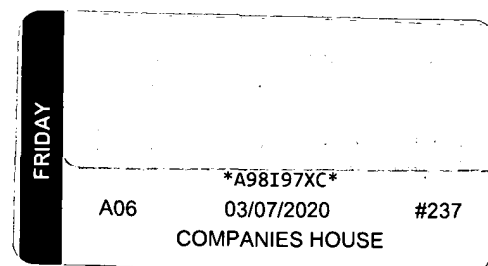
Eligible Director: means any Director or any other director who would be entitled to vote on the matter at a meeting of directors; and

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

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.



- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.8 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(1) and (2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
 - 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

2. Directors' Meetings

- 2.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 3.
- 2.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 2.3 If at any time before or at any meeting of the directors or of any committee of the directors all Directors participating should request that the meeting be adjourned or reconvened to another time or date then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such request has been made. No meeting of directors may be adjourned pursuant to this article more than once.

3. Unanimous Decisions

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

4. Number of Directors

- 4.1 The number of directors shall not be less than 2, including at least one Director. No shareholding qualification for directors shall be required.

5. Calling a Directors' Meeting

- 5.1 Any director may call a directors' meeting by giving reasonable notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

6. Quorum for Directors' Meetings

- 6.1 Subject to article 6.3, the quorum for the transaction of business at a meeting of directors shall be two Eligible Directors, of whom at least one shall be a Director (or his alternate).
- 6.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 6.3 For the purposes of any meeting (or part of a meeting):
- 6.3.1 held pursuant to article 9 to authorise a conflict of the Director; or
- 6.3.2 at which the Director is not permitted to vote on any resolution in accordance with article 9 as a result of the conflict,
- the quorum for such meeting (or part of a meeting) shall be two Eligible Directors.
- 6.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 6.4.1 to appoint further directors in accordance with clause 12.; or
- 6.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

7. Chairing of Directors' Meetings

- 7.1 The post of chairman of the directors will be held by a Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

8. Transactions or Other Arrangements With the Company

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

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

9. Directors' Conflicts of Interest

- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 9.2 Any authorisation under this article 9 will be effective only if:
 - 9.2.1 the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 9.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 9.3 Any authorisation of a Conflict under this article 9 may (whether at the time of giving the authorisation or subsequently):

- 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 9.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 9.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 9.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 9.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the directors authorise a Conflict:
- 9.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict; and
 - 9.4.2 that director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of it authorisation.
- 9.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 9.6 Any Director shall be entitled from time to time to disclose to the holders of the Ordinary Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there is more than one Ordinary shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
- 9.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

10. **Records of Decisions to be Kept**

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

11. **Appointment of Directors**

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

12. **Appointment and Removal of Directors**

12.1 The holder of the majority of the Ordinary Shares for the time being shall be entitled to appoint up to 5 people to be Directors (who for the sake of clarity shall also be Eligible Directors) of the Company and the holder of the majority of the A Ordinary Shares for the time being shall be entitled to appoint up to 2 people to be Eligible Directors of the Company.

12.2 Any Director may at any time be removed from office by the holder of a majority of the Ordinary Shares, and any Eligible Director who is not a Director may at any time be removed from office by the holder of a majority of the A Ordinary Shares. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.

12.3 If any Director shall die or be removed from or vacate office for any cause, the holder of a majority of the Ordinary Shares shall appoint in his place another person to be a Director.

12.4 If any Eligible Director who is not a Director shall die or be removed from or vacate office for any cause, the holder of a majority of the A Ordinary Shares shall appoint in his place another person to be an Eligible Director.

12.5 Any appointment or removal of a director pursuant to this article shall be in writing and be signed by or on behalf of the holder of the majority of the A or Ordinary Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office, or delivered at a duly constituted meeting of the directors of the Company and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

12.6 The right to appoint and to remove Directors or Eligible Directors who are not Directors under this article shall be a class right attaching to the A and Ordinary Shares respectively.

12.7 If no A or Ordinary Shares remain in issue following a redesignation under these Articles, any director appointed by the shareholders of that class shall be deemed to have been removed from office as from the redesignation.

12.8 No director shall be appointed or removed otherwise pursuant to these Articles, save as provided by law.

13. **Appointment and Removal of Alternate Directors**

13.1 Any director (other than an alternate director) (**appointor**) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the appointer's powers, and carry out the appointer's responsibilities, in relation to the taking of decisions by the directors, in the absence of the appointer. In these Articles, where the context so permits, the term "Director" shall include an alternate director appointed by a Director in accordance with this article. A person may be appointed an alternate director by more than one director provided that each of his appointors represents the same class of shares but not otherwise.

13.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the appointor, or in any other manner approved by the directors.

13.3 The notice must:

13.3.1 identify the proposed alternate; and

13.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

14. Rights and Responsibilities of Alternate Directors

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

14.2 Except as the Articles specify otherwise, alternate directors:

14.2.1 are deemed for all purposes to be directors;

14.2.2 are liable for their own acts and omissions;

14.2.3 are subject to the same restrictions as their appointors; and

14.2.4 are not deemed to be agents of or for their appointors,

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

14.3 A person who is an alternate director but not a director may, subject to him being an Eligible Director:

14.3.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's appointor is an Eligible Director and is not participating); and

14.3.2 participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, but does not participate).

14.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an Eligible Director in relation to that decision).

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

15. Termination of Alternate Directorship

An alternate director's appointment as an alternate terminates:

15.1.1 when the alternate's appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate;

- 15.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 15.1.3 on the death of the alternate's appointor; or
- 15.1.4 when the alternate's appointor's appointment as a director terminates for whatever reason.

SHARES

16. Share Classes

- 16.1 The share capital of the Company at the time of the adoption of these Articles is divided into A ordinary shares of £0.01 each (**A Ordinary Shares**), B ordinary shares of £0.01 each (**B Ordinary Shares**), and Ordinary shares of £0.01 each (**Ordinary Shares**). The A Ordinary Shares, B Ordinary Shares, and the Ordinary Shares shall be separate classes of shares but, save as hereinafter expressly provided, shall rank *pari passu* in all respects.
- 16.2 A Ordinary Shares and B Ordinary Shares do not carry any right to vote at a general meeting of the Company.
- 16.3 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 16.4 The Company may, with the prior written consent of the holders of a majority of the Ordinary Shares and the holders of the shares in question, re-classify shares in the capital of the Company to shares of another class.

17. Dividends

- 17.1 Any dividend declared by the Company or the directors may be declared in favour of either the A Ordinary Shares or the Ordinary Shares, or both the A Ordinary Shares and the Ordinary Shares. The "B" Ordinary Shares shall not entitle the holders to a dividend

18. Issue of Shares

- 18.1 In accordance with section 567(1) and (2) of the Act, sections 561(1) and 562(1) to (5) (inclusive) of that Act shall not apply to the Company.
- 18.2 All shares which the directors propose to issue shall be comprised of Ordinary Shares, A Ordinary Shares, and B Ordinary Shares in the Relevant Proportions and shall be dealt with in accordance with the following provisions of this article 18.2:
 - 18.2.1 any Ordinary Shares proposed to be issued shall first be offered to the holders of Ordinary Shares in proportion to the number of existing Ordinary Shares held by them respectively unless the Company shall unanimously direct otherwise; The "A" Ordinary Shares and "B" Ordinary Shares shall not be subject to pre-emption rights and the shares shall be allotted at the discretion of the Directors of the Company
 - 18.2.2 each such offer of Ordinary Shares shall be made by notice specifying the total number of shares being offered to the shareholders as a whole, to the holders of

each class, the proportionate entitlement of the shareholder to whom the offer is made and the price per share (which shall be the same for each share of each class of share) and shall require each shareholder to state in writing within a period (not being less than 14 days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said shares up to his proportionate entitlement;

18.2.3 an offer, if not accepted within the period specified in the notice as regards any shares, will be deemed to be declined as regards those shares. After the expiration of such period, any Ordinary Shares so deemed to be declined by the holders of Ordinary Shares shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit; and

18.2.4 all shares which pursuant to the provisions of the regulations of the Company may be issued to a holder of A Ordinary Shares or Ordinary Shares shall upon being registered in the name of such holder become A Ordinary Shares or Ordinary Shares respectively.

18.3 Subject to the remaining provisions of this article 18.3 and to article 18.4, the directors are generally and unconditionally authorised, for the purposes of section 550 of the Act or, where the Company has more than one class of shares, section 551 (1) of the Act and generally, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into;
- (c) otherwise deal in, or dispose of,

shares of the classes described in article 16.1 above to any person, at any time and subject to any terms and conditions as the directors think proper. Shares may be issued as nil, partly paid or fully paid shares

18.4 The authority referred to in Article 18.3:

(a) shall be limited to a maximum nominal amount of £1,000,000 Ordinary Shares, £1,000,000 "A" Ordinary Shares and £1,000,000 "B" Ordinary Shares

(b) shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution; and

(c) may only be exercised for a period of five years commencing on the date on which these articles are adopted, save that the directors may make an offer or agreement which would, or might, require Ordinary Shares to be allotted after the expiry of such authority (and the directors may allot Ordinary Shares in pursuance of an offer or agreement as if such authority had not expired). The directors are prohibited from exercising any of the powers conferred upon them by Section 550 of the Act.

19. **Transfer of Shares**

Introduction

19.1 Save for a Permitted Transfer no shareholder shall be entitled to transfer any shares in the Company other than pursuant to articles 19.3 to 19.12 inclusive.

Obligation to refuse/register a transfer

- 19.2 The directors shall register a transfer of shares made pursuant to this article 19 and shall refuse to register a transfer made otherwise than in accordance with those provisions. Model Article 26(5) shall be amended by replacing the words "The directors may refuse to register the transfer of a share, and if they do so," with the words "If the directors refuse to register the transfer of a share".

Pre-emption procedures

- 19.3 Any person (**proposing transferor**) proposing to transfer any shares of any class shall give notice in writing (**transfer notice**) to the Company that he desires to transfer the same and specifying the price per share at which he is willing to sell them. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of the shares comprised in the transfer notice (together with all rights then attached thereto) to any shareholder or shareholders holding shares of the same class as those comprised in the transfer notice and willing to buy the same (**purchasing class shareholders**) at the Transfer Price. A transfer notice shall not be revocable except with the sanction of the directors and shall comprise one class of share only so that separate transfer notices are required in respect of proposed transfers of separate classes of shares.
- 19.4 Within seven days of the receipt by the Company of the transfer notice, the shares comprised in any transfer notice shall be offered to the shareholders (other than the proposing transferor) holding shares of the same class as those comprised in the transfer notice (**class shareholders**) as nearly as may be in proportion to the number of shares of the said class held by them respectively. Such offer shall be made by notice in writing (**offer notice**) which shall state:
- 19.4.1 the identity of the proposing transferor, the number and class of shares comprised in the transfer notice and the price per share specified in the transfer notice and inform the class shareholders that shares are offered to them in accordance with the provisions of this article 19.4;
 - 19.4.2 that the shares are offered in the first instance in the proportion referred to in the opening sentence of this article 19.4 but go on to invite each class shareholder to state in his reply whether he wishes to buy more or less shares than his proportionate entitlement and if so what number;
 - 19.4.3 that each class shareholder has the right to request a certificate of fair value under article 19.5, the form of such certificate to be as near as circumstances permit to that of the first sentence of that article;
 - 19.4.4 that each of the shares in question is being offered to class shareholders at the lower of the price specified in the transfer notice and (if applicable) its fair value certified in accordance with article 19.5;
 - 19.4.5 the period in which the offer may be accepted (not being less than 15 Business Days or more than 25 Business Days after the date of the offer notice);
 - 19.4.6 that, if such a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of 10 Business Days commencing on the date of the notice of the certified fair value given to class shareholders pursuant to article 19.5 or until the expiry of the period referred to in article 19.4.5 whichever is the later.

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 may, if so specified in the acceptance, be accepted by a class shareholder in respect of a lesser number of shares than his full proportionate entitlement. If all the class shareholders do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy any

claims for additional shares (notified in response to the invitation referred to in article 19.4.2) as nearly as may be in proportion to the number of shares already held by the class shareholders claiming additional shares, provided that no class shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the class shareholders in proportion to their existing holdings, except by way of fractions the same shall be offered to the class shareholders, or some of them, in such proportions as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit.

- 19.5 Any class shareholder may, not later than 5 Business Days after the date of the offer notice, serve on the Company a notice in writing (**fair value notice**) requesting that the auditors for the time being of the Company certify in writing the sum which in their opinion represents the fair value (**fair value**) of each of the shares comprised in the transfer notice as at the date of the transfer notice and the following provisions shall apply:
- 19.5.1 if the auditors decline such appointment at their discretion then a person agreed by the proposing transferor, the relevant class shareholder and the directors or, failing agreement within 10 Business Days of the fair value notice, a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of the directors or any class shareholder on behalf of the Company shall be instructed to give such certificate. Any following reference in these Articles to the auditors shall include any person so agreed or nominated;
- 19.5.2 forthwith upon receipt of the fair value notice the Company shall instruct the auditors to certify the fair value and the costs of producing such certificate shall be apportioned among the proposing transferor and the purchasing class shareholders and borne by any one or more of them as the auditors in their absolute discretion shall decide;
- 19.5.3 in determining the fair value, the auditors shall value each share on the basis of the value of the Company as a going concern at the date of the transfer notice (after taking into account any contingent liability of the Company for taxation on unrealised capital gains and any other contingent taxation) and multiplying such valuation of the Company by the fraction the numerator of which shall be the nominal value of each share comprised in the transfer notice and the denominator of which shall be the nominal value of all the shares of the Company in issue at such date;
- 19.5.4 in certifying the fair value the auditors shall be entitled to obtain professional valuations in respect of any of the Company's assets and shall be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply; and
- 19.5.5 forthwith upon receipt of the certificate of the auditors, the Company shall by notice in writing inform all class shareholders of the certified fair value of each share and of the price per share (being the lower of the price specified in the transfer notice and the certified fair value of each share) at which the shares comprised in the transfer notice are offered for sale (**Transfer Price**).
- 19.6 If purchasing class shareholders shall be found for all the shares comprised in the transfer notice within the appropriate period specified pursuant to article 19.4, the Company shall not later than 5 Business Days after the expiry of such period give notice in writing (**sale notice**) to the proposing transferor specifying the purchasing class shareholders and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the purchasing class shareholders.
- 19.7 If the Company shall not give a sale notice to the proposing transferor within the time specified in article 19.6 or if at the date of the transfer notice there is no shareholder other than the proposing transferor who holds shares of the same class as those comprised in the

transfer notice, the transfer notice shall thenceforth be deemed to constitute the Company the agent of the proposing transferor for the sale of the shares comprised in the transfer notice together with all rights then attached thereto to any shareholder or shareholders willing to buy the same (whether or not a class shareholder) at the Transfer Price. In any such case the provisions of articles 19.4 to 19.6 shall apply mutatis mutandis as if references therein to class shareholders were to shareholders (of whatever class) and references to purchasing class shareholders were to purchasing shareholders (of whatever class). In the case of the Company not having given a sale notice to the proposed transferor within the time specified in article 19.6, the provisions of articles 19.4 to 19.6 shall apply mutatis mutandis as if the period for service of the offer notice referred to in article 19.4 was the period of 5 Business Days immediately following the expiry of the appropriate period for service of a sale notice on purchasing class shareholders without such a sale notice being served.

- 19.8 Notwithstanding the provisions of article 19.7, if purchasing class shareholders shall have been found for only some of the shares comprised in the transfer notice pursuant to article 19.4, the claims of such purchasing class shareholders made pursuant to article 19.4 shall first be satisfied in preference to the claims of shareholders of any other class made pursuant to article 19.7.
- 19.9 If in any case the proposing transferor, after having become bound as aforesaid makes default in transferring any shares, the Company may receive the purchase money on his behalf and may at the direction of the directors of the Company who have not been appointed by and/or who are not nominees of the proposing transferor authorise some person to execute a transfer of such shares on behalf of and as attorney for the proposing transferor in favour of the purchasing class shareholders or purchasing shareholders as the case may be. For the purposes of authorising an individual to execute a transfer as attorney a meeting of the board shall be treated as quorate and a resolution shall be capable of being duly passed without the need for the directors appointed or nominated by the proposing transferor being present, represented or voting.

The receipt of the Company for the purchase money shall be a good discharge to the purchasing class shareholders or purchasing shareholders as the case may be. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor.

Sale to a third party

- 19.10 If the Company shall not give a sale notice to the proposing transferor within the time specified for that purpose in article 19.6 or 19.7 in respect of sales to purchasing shareholders of whatever class, he shall, during the period of 3 months next following the expiry of the time so specified, be at liberty to transfer all (but not some only) of the shares comprised in the transfer notice to any person or persons provided that the price per share obtained upon such share transfer shall in no circumstances be less than the Transfer Price and the proposing transferor shall upon request furnish such information to the directors as they shall require in relation to the price per share obtained as aforesaid. The directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the buyer, and if not so satisfied, may refuse to register the instrument of transfer.

Director/Employee Shareholders

- 19.11 Whenever any shareholder of the Company who is employed by the Company in any capacity or is a director (or both) ceases to be employed by the Company or to hold office for any reason, excluding by reason of the death of such shareholder, the directors may at any time not later than 20 Business Days after his ceasing to be employed or to hold office (as the case may be) resolve that such shareholder shall (unless he has already given a transfer notice) be bound within such period as may be specified in such resolution to give a transfer notice pursuant to article 19.3 in respect of his entire shareholding in the Company. Notice of

the passing of any such resolution shall forthwith be given to the shareholder affected thereby.

- 19.12 In the event of such shareholder failing to give a transfer notice within such period as may be specified in such resolution referred to in article 19.11 he shall upon the expiration of such period be deemed to have given a transfer notice in respect of all shares then held by him at such time and the provisions of articles 19.3 to 19.10 (inclusive) shall mutatis mutandis apply.

Transfer notices

- 19.13 Save as otherwise provided in these Articles, in respect of any transfer notice required to be given or deemed to have been given pursuant to this article 19 such transfer notice shall be deemed to have specified the price per share as being the fair value of each share to be certified in accordance with article 19.5.

Unauthorised transfers null and void

- 19.14 Except for a Permitted Transfer, any transfer or purported transfer of a share made otherwise than in accordance with the foregoing provisions of articles 19.3 to 19.12 (inclusive) shall be null and void and of no effect.

Deemed transfers

- 19.15 If a shareholder, or other person entitled to transfer a share, at any time attempts to deal with or dispose of a share or any legal or beneficial interest therein otherwise than in accordance with the foregoing provisions of this Article, or if any of the events specified in article 19.17 occurs in respect of a shareholder, the provisions of article 19.16 shall apply.
- 19.16 Where article 19.15 applies to any shareholder, such shareholder shall be deemed to have given a transfer notice on the occurrence of such attempt or event and to have specified in such transfer notice as the price per share, the fair value of each share to be certified in accordance with article 19.5 and the provisions of articles 19.3 to 19.9 (inclusive) shall mutatis mutandis apply (on the basis that there is no requirement that all but not some only of the shares the subject of the deemed transfer notice must be sold to existing shareholders).
- 19.17 The events referred to in article 19.15 are:
- 19.17.1 any shareholder (being an individual) proposing, making or being subject to an arrangement or composition with his creditors generally or having a bankruptcy order made against him;
 - 19.17.2 any shareholder (being an individual) becoming a patient for the purposes of any statute relating to mental health;
 - 19.17.3 any corporate shareholder (other than a holder of Ordinary Shares or an associated company of a holder of Ordinary Shares) or its holding company undergoing a change in control (within the meaning of section 1159 of the Act);
 - 19.17.4 any transferee of shares pursuant to article 19.17.3 ceasing to be an associated undertaking (as defined in section 1161 of the Act);
 - 19.17.5 any shareholder (being a corporation) proposing or passing a resolution for its winding up, being subject to an order or notice issued by a court or other authority of competent jurisdiction for its winding up or striking off, having an administrator appointed in respect of it, proposing, making or being subject to an arrangement or composition with its creditors generally, applying to a court of competent jurisdiction for protection from its creditors generally or for a scheme of arrangement under section 895 of the Act (save in the latter case for the purpose of a voluntary

reconstruction or amalgamation) or having a receiver or a provisional liquidator appointed over any of its assets, undertaking or income;

19.17.6 if Model Article 27 applies, the transmittee fails to notify the Company of its intention to become the holder of the shares within six months of becoming so entitled; or

19.17.7 any sale, dealing with or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise but excluding any transmission of a share to any person becoming entitled to such share in consequence of the death of a shareholder) by whomsoever made and whether or not effected by an instrument in writing save where the disposition is by service of a transfer notice in accordance with these Articles.

19.18 For the purpose of article 19.15 the word "shareholder" includes any former shareholder and the executors, administrators or other personal representatives of a deceased shareholder or former shareholder.

Permitted Transfers

19.19 The provisions of articles 19.3 to 19.10 (inclusive) will not apply to a Permitted Transfer.

19.20 A "Permitted Transfer" means:

19.20.1 any transfer of any shares to which all the shareholders give their consent in writing;

19.20.2 a purchase by the Company of its own shares in accordance with the provisions of the Act;

19.20.3 any transfer of any shares by a corporate shareholder to an associated undertaking (as defined in section 1161 of the Act); and

19.20.4 any transfer of any shares by a corporate shareholder to a company formed to acquire the whole or substantially the whole of the undertaking and assets of such corporate shareholder as part of a scheme of amalgamation or reconstruction.

Right to require evidence

19.21 For the purpose of ensuring that a transfer of shares is duly authorised under this article 19 and that no circumstances have arisen whereby a transfer notice is deemed to be given or is required to be served, the directors may from time to time require any shareholder or past shareholder or the personal representatives, trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any shareholder or any person named as a transferee in any instrument of transfer lodged for registration, to furnish to them such information and evidence as the directors may reasonably think fit regarding any matter which they consider relevant to establish whether such transfer is duly authorised or whether any circumstances have arisen whereby a transfer notice is required to be served. Failing such information being furnished to the reasonable satisfaction of the directors within a reasonable time after it has been requested, or if in the reasonable opinion of the directors any such information or evidence is false in any material respect, the directors may refuse to register the relevant transfer and/or declare by notice in writing to the relevant shareholder, personal representatives, trustees in bankruptcy, receiver, administrative receiver or administrator or similar officer that a transfer notice shall be deemed to have been given in respect of any relevant shares.

Re-designation of shares

19.22 If any share of any class is transferred pursuant to any of the provisions of these Articles to a shareholder holding shares of a different class, such share shall on and from the time of

registration of the transfer of that share in the register of shareholders of the Company be re-designated as a share of the same class as those already held by that shareholder.

DECISION MAKING BY SHAREHOLDERS

20. Notice of General Meetings

20.1 Every notice convening a general meeting shall:

20.1.1 Comply with section 325(1) of the Act as to giving information to shareholders relating to their right to appoint proxies;

20.1.2 Be given in accordance with section 308 of the Act, that is in hard copy form, electronic form or by means of a website; and

20.1.3 Notwithstanding any other provision of these articles not be given to the holders of the A Ordinary Shareholders.

21. Proceedings at General Meetings

21.1 A quorum for general meetings shall consist of one holder of Ordinary Shares present in person or by proxy or (in the case of a shareholder being a corporation) by representative.

21.2 If a quorum is not present within half an hour of the time at which a general meeting is due to start or if, during a general meeting, a quorum ceases to be present the directors must adjourn it.

21.3 When adjourning the general meeting the directors must specify that the meeting is adjourned either:

21.3.1 to the same day, place and time the following week; or

21.3.2 to another day, place and time to be decided by the directors.

21.4 If a quorum is not present within half an hour of the time at which the adjourned meeting is due to start the shareholder or shareholders present in person or by proxy or by corporate representative and who are entitled to vote shall:

21.4.1 constitute a quorum; and

21.4.2 have power to decide on all matters which could have been transacted at the meeting which was adjourned.

22. Written resolutions

22.1 A written resolution, proposed in accordance with section 288(3) of the Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.

22.2 For the purposes of this article 22 "circulation date" is the date on which copies of the written resolution are sent or submitted to shareholders or, if copies are sent or submitted on different days, to the first of those days.

ADMINISTRATIVE ARRANGEMENTS

23. Means of Communication to be Used

23.1 Where:-

- 23.1.1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom; and
- 23.1.2 the Company is able to show that it was properly addressed, prepaid and posted.
- it is deemed to have been received by the intended recipient 24 hours after it was posted.
- 23.2 Where:-
- 23.2.1 a document or information is sent or supplied by electronic means, and
- 23.2.2 the Company is able to show that it was properly addressed,
- it is deemed to have been received by the intended recipient immediately after it was sent.
- 23.3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient -
- 23.3.1 when the material was first made available on the website, or
- 23.3.2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 23.4 Pursuant to section 1147(6) of the Act, subsections (2) (3) and (4) of that section shall be deemed modified by Articles 23.1, 23.2 and 23.3.
- 23.5 Subject to any requirements of the Act, only such documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.
- 24. Indemnity**
- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 24.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- 24.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 24.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 24.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

24.3 In this article:

24.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

24.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

25. **Insurance**

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

25.2 In this article:

25.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

25.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

25.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.