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Company Number: SC133788

**The Companies Acts 2006**

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**Private Company Limited by Shares**

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**Articles of Association**

**of**

**Ness Castle Lodges Limited (the "Company")**

**(Adopted by special resolution passed on 30 October 2020)**

**1 Preliminary**

1.1 The regulations constituting Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles as they relate to a private company limited by shares ("**Table A**") shall apply to the Company except in so far as they are excluded or varied by these Articles.

1.2 Words and expressions defined in Regulation 1 of Table A have the same meanings in these Articles where the context admits.

1.3 Regulations 2, 3, 8, 24, 35, 41, 46, 54, 64, 66, 76-79, 84, 94 and 118 of Table A do not apply to the Company.

1.4 The Company is a private company and no shares or debentures of the Company may be offered to the public.

1.5 In the Articles, unless the context otherwise requires, the following expressions have the following meanings:

"**Companies Act**" or "**Act**" means the Companies Act 2006 as amended and in force from time to time;

"**Conflict**" has the meaning given in Article 12.3;

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

"**Interested Director**" has the meaning given in Article 12.3; and

**"shares"** means Ordinary Shares and/or Preference Shares as the context may require and **"share"** means any one share of any such class as the context may require.

## 2 Share capital

2.1 At the date of the adoption of these Articles the authorised share capital of the Company is £1,500,000 divided into 1,750 Ordinary Shares of £1.00 each (hereinafter together with any further shares classified as Ordinary Shares referred to as **"Ordinary Shares"**); and 1,498,250 Cumulative Redeemable Preference Shares of £1.00 each (hereinafter together with any further shares classified as Cumulative Redeemable Preference Shares referred to as **"Preference Shares"**).

2.2 The profits of the Company available for distribution shall be used to pay dividends in the following order of priority:

2.2.1 First, in paying to the holders of the Preference Shares a dividend (the **"Preference Dividend"**) as follows:

2.2.1.1 Amount: a fixed, cumulative preferential dividend at an annual rate of 2% of the subscription price paid per Preference Share;

2.2.1.2 Accrual Date: accruing from the date of adoption of these Articles; and

2.2.1.3 Payment Date: half yearly on 31 March and 30 September in each year the first payment to be made on 31 March 2021.

2.2.2 Second, in paying to the holders of the Ordinary Shares a dividend of an amount resolved to be distributed.

2.3 Every dividend shall be distributed to the appropriate shareholders pro rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis. All dividends are expressed net and shall be paid in cash. The Preference Dividend is cumulative.

2.4 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act the Preference Dividend shall be paid immediately on the due date. Such payment shall be made notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting. If the Preference Dividend is not paid on the due date:

2.4.1 it shall be a debt due by the Company and shall be payable in priority to any other dividend; and

2.4.2 it shall be increased by the amount which is equal to interest calculated on that sum at the rate of 2% accumulating daily for each day from and excluding the due date to and including the actual date of payment.

2.5 On a return of assets on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be distributed as follows:

2.5.1 first in paying to the holders of the Preference Shares £1.00 per Preference Share together with any arrears or accruals of the Preference Dividend, any sum due in terms of article 2.4.2 and any sum due in terms of article 2.12 calculated down to the date of return of capital in priority to any repayment to any other shareholders; and

- 2.5.2 second and subject thereto, the balance of such assets shall be distributed to the holders of the Ordinary Shares rateably according to the amounts paid up or credited as paid up on the said shares held by them respectively.
- 2.6 The Company shall be entitled, at any time or times to redeem all or part of the Preference Shares then in issue. Any redemption under this article 2.6 shall be effected by 14 days' notice in writing given by the Company to the holders of Preference Shares and shall be completed on the date of expiry of such notice.
- 2.7 Any Preference Shares which have not been previously redeemed shall be redeemed on the date which is the twentieth anniversary of date of subscription (the "**Redemption Date**").
- 2.8 In each case of redemption of Preference Shares, the redemption price for each of the Preference Shares shall be £1.00 (the "**Redemption Sum**") together with any arrears or accruals of the Preference Dividend, any sum due in terms of article 2.4.2 and any sum due in terms of article 2.12.
- 2.9 On any occasion on which less than all of the Preference Shares in issue are redeemed, the Company shall redeem that proportion of the holding of each holder of Preference Shares corresponding to the proportion which the Preference Shares then being redeemed bear to the number of Preference Shares then in issue.
- 2.10 Upon each date on which Preference Shares are to be redeemed, each of the holders of Preference Shares shall deliver to the Company the certificate or certificates for the Preference Shares held by them to be redeemed on that occasion. If any certificate so delivered includes any Preference Shares not to be redeemed on that occasion, a fresh certificate for such shares shall be issued to the holder delivering such certificate to the Company.
- 2.11 If the Company shall be unable, in compliance with the provisions of the Act, to redeem all or any of the Preference Shares falling to be redeemed on any date, the Company shall redeem on any due date as many of the Preference Shares then falling to be redeemed as it is then able to redeem in compliance with the Act and shall redeem the Preference Shares remaining in issue which should then have been redeemed as soon thereafter as the Company shall be able to do so in compliance with such provisions.
- 2.12 If the Preference Shares are not redeemed on the Redemption Date the Redemption Sum shall be increased by the amount which is equal to interest calculated on that sum at the rate of 2% accumulating daily for each day from and excluding the Redemption Date to and including the actual date of redemption. Such increased amount shall be distributed amongst the holders of the Preference Shares in proportion to the number of Preference Shares held by them.
- 2.13 The Preference Shares to be redeemed in accordance with the foregoing provisions of this article 2 shall be redeemed by the Company at the Registered Office of the Company.
- 2.14 At general meetings on a show of hands every member holding Ordinary Shares who is present in person or by proxy (or in the case of a corporation by a duly appointed representative) shall have one vote and on a poll the holders of the Ordinary Shares shall be entitled to cast one vote for each Ordinary Share held by them.
- 2.15 Preference Shares shall confer the right to receive all notices and circulars to shareholders and minutes of all general meetings of the Company, but shall not confer the right to attend or vote, whether on a show of hands or by proxy, at any general meeting of the Company
- 3 **Class rights**
- 3.1 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 either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing

of the holders of 75% of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the Preference Shares and the Ordinary Shares shall be deemed to be varied:

3.2 by the Company:

- 3.2.1 altering its memorandum or articles of association;
- 3.2.2 varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company;
- 3.2.3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company;
- 3.2.4 entering into any contract to purchase any of its shares;
- 3.2.5 redeeming any of its shares (except as specifically provided for in these Articles);
- 3.2.6 passing a resolution that it be wound up; or
- 3.2.7 making a bonus issue of shares or loan stock; or

3.3 by the Company or any of its subsidiaries:

- 3.3.1 altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital;
- 3.3.2 granting any option or other right to subscribe for shares;
- 3.3.3 disposing of its undertaking or any substantial part thereof; or
- 3.3.4 disposing of or acquiring any interest in any share in the capital of any company.

4 **Lien**

The Company shall have a first and paramount lien on all shares whether fully paid or not registered (whether as sole registered holder or as one of two or more joint holders) in the name of any person indebted or under liability to the Company for all moneys presently payable by him or his estate to the Company. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this article.

5 **Transfer of shares**

5.1 The directors may in their absolute discretion and without giving any reason refuse to register the transfer of any share, whether or not it is a fully paid share, which is not made in accordance with the provisions of article 5.2 and, if appropriate, article 5.3.

5.2 The shares in the capital of the Company shall only be transferred in accordance with the provisions of this article:

- 5.2.1 a member (a "**seller**") wishing to transfer shares (the "**transfer shares**") shall give notice in writing (a "**transfer notice**") to the directors specifying the details of the proposed transfer including, the number of shares to be transferred, the price per share of the shares to be transferred and the identity (if any) of the proposed transferee;
- 5.2.2 if the directors do not agree to the price per share proposed, the seller and the directors shall endeavour to agree a price per share and if they fail to agree a price per share within 21 days of the transfer notice being served by the seller, a

chartered accountant (the "**Accountant**") appointed by agreement between the seller and the directors, failing such agreement, appointed by the President of the Institute of Chartered Accountants of Scotland shall determine the certified value of the transfer shares in accordance with articles 5.2.10 and 5.2.11 and give a notice in writing specifying such certified value to the seller and the directors, at which time the seller shall be entitled to revoke the transfer notice by notice in writing given to the directors within 7 days of receipt of the notice specifying the certified value;

- 5.2.3 the transfer shares shall first be offered to the members of the Company (the "**members**") in proportion to their existing holdings of shares of the same class (the "**initial offer**") and at the price per share agreed by the seller and the directors or at the certified value;
- 5.2.4 the initial offer shall be made by written notice (the "**offer notice**") from the directors specifying the number and price of the transfer shares and shall invite each member to state in writing within a period not being less than 21 days whether they are willing to accept any transfer shares and if so the maximum number of transfer shares they are willing to accept, which shall not be more than that offered to them;
- 5.2.5 at the expiration of the time specified for acceptance in the offer notice the directors shall allocate the transfer shares to or amongst the members who shall have notified to the directors their willingness to take any of the transfer shares but so that no member shall be obliged to take more than the maximum number of shares notified by him under article 5.2.4;
- 5.2.6 if any transfer shares remain unallocated after the initial offer the directors shall make a further offer (the "**further offer**") in writing (the "**further offer notice**") on the same terms as the initial offer to members who shall have expressed their willingness to purchase the transfer shares and if there is more than one member to whom this article applies then the further offer shall be pro rata to their existing holdings of shares;
- 5.2.7 at the expiration of the time specified for acceptance in the further offer notice the directors shall allocate the transfer shares to or amongst the members who shall have notified to the directors their willingness to take any of the transfer shares but so that no member shall be obliged to take more than the maximum number of shares notified by him under article 5.2.6;
- 5.2.8 if any transfer shares remain unallocated after the further offer, subject to the provisions of this article 5.2, the transfer shares shall be offered to the members of the Company in proportion to their existing holdings of shares of the different class and the provision of articles 5.2.3 to 5.2.7 shall apply mutatis mutandis to such offer;
- 5.2.9 if any transfer shares remain unallocated after the further offer, subject to the provisions of this article 5.2, the directors shall be entitled to dispose of these transfer shares to such persons on such terms and in such manner as they think fit save that these transfer shares shall not be disposed of on terms which are more favourable to their transferees than the terms on which they were offered to the members;
- 5.2.10 the certified value (the "**certified value**") for the transfer shares is that proportion of the amount the Accountant considers (acting as expert and not as arbiter) to be the value of the entire issued share capital of the Company of the same class that the transfer shares bear to the entire issued share capital of the Company of the same class. The Accountant's decision on certified value shall, save in the case of manifest error, be final and binding on the seller and the directors; and

5.2.11 in determining the certified value the Accountant shall rely on the following assumptions:

5.2.11.1 the transfer shares shall be valued on a going concern basis as between a willing seller and a willing buyer and no discount in respect of a minority interest or premium in respect of a majority interest shall be applied;

5.2.11.2 the shares are sold free of all restrictions, liens, charges and other encumbrances; and

5.2.11.3 the sale takes place on the date the was Accountant was requested to determine the certified value.

5.3 If the Company finds a purchaser or purchasers for all or any of the transfer shares under the terms of article 5.2 the seller shall be bound upon receipt of the price payable for such shares to transfer the transfer shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such person or persons. If the seller defaults in transferring the transfer shares the Company shall if so required by the person or persons willing to purchase such transfer shares receive and give a good discharge for the purchase money on behalf of the seller and shall authorise an officer of the Company (or such other person as the Company may at its discretion consider appropriate) to execute transfers of the transfer shares in favour of the purchaser or purchasers and shall enter the names of the purchaser or purchasers in the Register of Members of the Company as the holder of such of the transfer shares as shall have been transferred to them.

## **6 Proceedings at general meetings**

6.1 If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting is adjourned to such day and at such time and place as the directors may determine and if a quorum is not present within half an hour from the time appointed for the adjourned meeting the meeting is dissolved.

6.2 A poll may be demanded at any general meeting by any member present in person or by proxy and entitled to vote.

## **7 Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum. The minimum number of directors is one.

## **8 Alternate directors**

8.1 An alternate director may act as alternate director to more than one director and is entitled at a meeting of the directors or of a committee of the directors to one vote for every director that he acts as alternate director for in addition to his own vote (if any) as a director of the Company, but an alternate director counts as only one director in determining whether a quorum is present.

8.2 An alternate director is entitled to: receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member; to attend and vote at any such meeting at which the director appointing him is not personally present; and generally to perform all the functions of his appointor as a director in his appointor's absence. But it is not necessary to give notice of such a meeting to an alternate director who is absent from the UK.

8.3 Unless otherwise determined by ordinary resolution of the Company, an alternate director is not entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company direct.

## 9 Allotment of shares

9.1 Shares in the capital of the Company shall only be allotted in accordance with the provisions of this article:

- 9.1.1 all shares to be allotted (the "**offer shares**") shall first be offered to the members of the Company in proportion to their existing holdings of shares of the same class (the "**initial offer**");
- 9.1.2 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 shall invite each member to state in writing within a period not being less than 21 days whether they are willing to accept any offer shares and if so the maximum number of offer shares they are willing to accept;
- 9.1.3 at the expiration of the time specified for acceptance in the offer notice the directors shall allocate 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 9.1.2;
- 9.1.4 if any offer shares remain unallocated after the initial offer the directors shall make a further offer (the "**further offer**") in writing (the "**further offer notice**") on the same terms as the initial offer to members who shall have expressed their willingness to purchase the offer shares and if there is more than one member to whom this article applies then the further offer shall be pro rata to their existing holdings of shares;
- 9.1.5 at the expiration of the time specified for acceptance in the further offer notice the directors shall allocate 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 9.1.4;
- 9.1.6 if any offer shares remain unallocated after the further offer the offer shares shall be offered to the members of the Company in proportion to their existing holders of shares of the different class and the provisions of articles 9.1.1 to 9.1.5 shall apply mutatis mutandis to such offer;
- 9.1.7 if any offer shares remain unallocated after the further offer, subject to the provisions of this article and section 551 of the Act the directors shall be entitled to dispose of these shares to such persons on such terms and in such manner as they think fit save that these shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the members; and
- 9.1.8 in accordance with section 567 of the Act, the provisions of sections 561 and 562 of the Act shall have effect only to the extent that they are not inconsistent with this article.

## 10 Appointment and retirement of directors

10.1 No person shall be appointed a director at any general meeting unless:

- 10.1.1 he is recommended by the directors; or
- 10.1.2 not less than 14 or more than 35 clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be

included in the Company's register of directors together with notice executed by that person of his willingness to be appointed.

- 10.2 Not less than seven nor more than 28 clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment as a director. The notice shall give particulars of that person which would, if he were so appointed, be required to be included in the Company's register of directors.
- 10.3 Subject as aforesaid the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 10.4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any maximum number of directors that may be fixed by ordinary resolution.

## **11 Directors' appointments**

Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate (unless the terms of his appointment provide otherwise) if he ceases to be a director but without prejudice to any claim for damages for breach of the contract of service between the director and Company.

## **12 Proceedings of directors**

- 12.1 A person may participate in a meeting of the directors or of a committee of directors by means of electronic communication provided that throughout the meeting all persons participating in the meeting are able to communicate interactively and simultaneously with all other parties participating in the meeting (notwithstanding accidental disconnection of the means of electronic communication during the meeting). A person participating in a meeting in this manner shall be deemed present in person at the meeting and shall be entitled to vote and be counted in the quorum.
- 12.2 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 Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 12.2.1 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;
- 12.2.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- 12.2.3 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 contract or proposed contract in which he is interested;



- 12.2.4 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;
  - 12.2.5 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
  - 12.2.6 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 contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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.
- 12.3 The directors may, in accordance with the requirements set out in this Article 12, authorise any matter or situation proposed to the 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**").
- 12.4 Any authorisation under this Article 12 will be effective only if:
- 12.4.1 to the extent permitted by the Act, 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;
  - 12.4.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 12.4.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 12.5 Any authorisation of a Conflict under this Article 12 may (whether at the time of giving the authorisation or subsequently):
- 12.5.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 12.5.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meeting of the directors or otherwise) related to the Conflict;
  - 12.5.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict;
  - 12.5.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 12.5.5 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

- 12.5.6 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.
- 12.6 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 12.7 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.
- 12.8 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.
- 12.9 Any resolution proposed at a meeting of the directors or a meeting of a committee of the directors shall be decided by a majority of votes, each eligible director having one vote.
- 12.10 Regulations 85, 86, 95, 96 and 98 of Table A shall not apply.
- 13 Over-riding provisions**
- 13.1 If any person alone or jointly with any other person or persons (such persons or persons being hereinafter referred to as the "**Parent**") shall be the holder of not less than 90 per cent in nominal value of the issued shares of the Company as confers the right for the time being to attend and vote at general meetings of the Company, the following provisions shall apply (but without prejudice to the provisions of section 168 of the Act) and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these Articles:
- 13.1.1 the Parent may at any time and from time to time appoint any person to be a director or remove from office any director howsoever appointed in each case by notice to the Company; and
- 13.1.2 any or all powers of the directors shall be restricted in such respects and to such extent as the Parent may by notice to the Company from time to time prescribe and any such restriction may be removed or varied in such regard and to such extent as the Parent may by notice to the Company from time to time prescribe.
- 13.2 Any such notice shall be in writing served on the Company and signed by or on behalf of the Parent. No person dealing with the Company shall be concerned to enquire as to whether the powers of the directors have been in any way restricted hereunder and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.
- 14 Indemnity**
- 14.1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) in the actual or

purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs.

- 14.2 The Company may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Company, or in relation to its affairs.