

WRITTEN RESOLUTIONS OF REMOTE MEASUREMENT SYSTEMS LIMITED (Company)

Registered Number: SC187470

Registered Office: Brodies House, 31-33 Union Grove, Aberdeen, AB10 6SD

Below is a copy of a resolution of the Company (**Resolution**). The Resolution was duly passed as a special resolution by way of written resolution on 11/02/2017 pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "**2006 Act**").

SPECIAL RESOLUTION

1. THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

Paul McClure

Paul McClure

11/02/2017

Date



THIS IS AN IMPORTANT DOCUMENT WHICH CONFERS LEGAL RIGHTS AND OBLIGATIONS ON THE PARTIES TO IT. YOU SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING RESOLUTIONS ADOPTING THESE ARTICLES AND SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND BY ITS TERMS

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

REMOTE MEASUREMENT SYSTEMS LIMITED (the "Company")

(Adopted by special resolution passed on 1 FEBRUARY 2017)

AGREED TERMS

1 Interpretation

1.1 In these Articles, the following words have the following meanings:

"Act" the Companies Act 2006.

"appointor" has the meaning given in article 12.1.

"Articles" the Company's articles of association for the time being in force.

"Board Reserved Matter" the matters reserved for approval by the board by Qualified Consent, as set out in the shareholders' agreement dated on or around the date of adoption of these Articles, as may be amended from time to time.

"Business Day" any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in Aberdeen are generally open for business.

"Conflict" has the meaning given in article 9.1.

"Eligible Director"	any director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).
"Group"	in relation to a company (wherever incorporated), any wholly owned Subsidiary of that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company and each company in a Group is a member of the Group. Unless the context otherwise requires, the application of the definition of Group to any company at any time will apply to the company as it is at that time.
"Interested Director"	has the meaning given in article 9.1.
"Majority Shareholder"	the holder of in aggregate more than 50% in number of the Shares.
"Model Articles"	the model articles for private companies limited by Shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>) as amended prior to the date of adoption of these Articles.
"Qualified Consent"	(a) in relation to Board Reserved Matters, approval of all directors, representing each shareholder group; or (b) in relation to Shareholder Reserved Matters, approval of at least 75% of the votes pertaining to all voting Shares.
"Shareholders"	the holders of the Shares and "Shareholder" means any one of them.
"Shareholder Matters"	Reserved the matters reserved for approval by the Shareholders by Qualified Consent, as set out in the shareholders' agreement dated on or around the date of adoption of these Articles, as may be amended from time to time.
"Shares"	the shares in the Company in issue from time to time.
"Subsidiary"	in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, 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. Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time

shall apply to the company as it is at that time.

"Writing or written" the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15, article 16, article 17, article 17 and article 18 **"writing"** or **"written"** shall not include the sending or supply of notices, documents or information in electronic form.

- 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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 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 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.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

2 Adoption of the Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 30, 36, 38, 43, 44(2) and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.4 Articles 31(1)(a) to (d) (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".

DIRECTORS

3 Directors' meetings

- 3.1 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 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Subject to article 3.4 below, all decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.
- 3.4 No action or decision relating to any Board Reserved Matter shall be taken unless approved by a Qualified Consent of the directors.
- 3.5 If at any time at or before 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 (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4 Unanimous decisions of directors

- 4.1 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.
- 4.2 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.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

5 Number of directors

The number of directors shall not be less than two.

6 Calling a directors' meeting

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
- 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - 6.2.2 copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7 Quorum for directors' meetings

The quorum for Directors' meetings is two, including at least one director appointed by each of the Shareholders (or their alternates). No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within thirty minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place. If at the adjourned meeting a quorum is not present within thirty minutes after the time specified for the directors' meeting in the adjourned notice of the meeting, the meeting shall be dissolved.

8 Chairing of directors' meetings

The Shareholder Majority shall appoint a director to chair directors' meetings. The chairman so appointed shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the Shareholder Majority shall be entitled to appoint another director to act as chairman at the meeting.

9 Directors' interests

- 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 (the "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict").
- 9.2 Any authorisation under this article will be effective only if:
- 9.2.1 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;

- 9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the 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 vote had not been counted.
- 9.3 Any authorisation of a Conflict under this article 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 will or will 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, 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.
- 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 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of Shares) in, the Shareholder who appointed him as a director of the Company, or any other member of such Shareholder's Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Any director shall be entitled from time to time to disclose to the Shareholders such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject

only to the condition that the director concerned shall ensure that each of the Shareholders receives the same information on an equal footing.

- 9.8 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.9 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.10 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9.9.
- 9.11 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9.3, and provided a director 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:
- 9.11.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 9.11.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.11.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.11.4 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;
 - 9.11.5 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

- 9.11.6 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.

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

- 11.1 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:
- 11.1.1 by ordinary resolution, or
 - 11.1.2 by a decision of the directors.
- 11.2 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.
- 11.3 For the purposes of clause 11.2 where 2 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.

12 Alternate directors

- 12.1 Any director (other than an alternate director) (in this article, "**the appointor**") may appoint any other director or any person approved by resolution of the directors to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 12.3 The notice must:
- 12.3.1 identify the proposed alternate; and
 - 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
- 12.5.1 are deemed for all purposes to be directors;
 - 12.5.2 are liable for their own acts and omissions;
 - 12.5.3 are subject to the same restrictions as their appointors; and
 - 12.5.4 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.
- 12.6 A person who is an alternate director but not a director:
- 12.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and
 - 12.6.2 may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 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).
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate terminates:
- 12.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 12.9.2 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; or
 - 12.9.3 when the alternate director's appointor ceases to be a director for whatever reason.

SHARES

13 Issuing Shares

- 13.1 No Shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any Shares in the Company shall be granted unless within twenty eight Business Days before that allotment or grant (as the case may be) the holders of, in aggregate, not less than 75% in number of the Shares for the time being have consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 13.2 Sections 561 and 562 of the Act shall apply to an allotment of equity securities (as defined in section 560(1) of the Act).

14 Further issues of Shares: authority

- 14.1 Subject to article 13 and the remaining provisions of this article 14, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:
- 14.1.1 offer or allot;
 - 14.1.2 grant rights to subscribe for or to convert any security into; or
 - 14.1.3 otherwise deal in, or dispose of,
- any Shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.
- 14.2 The authority referred to in article 14.1:
- 14.2.1 shall be limited to a maximum nominal amount of £100 or such other amount as may from time to time be authorised by the Company by ordinary resolution;
 - 14.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
 - 14.2.3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

15 Share transfers

- 15.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

- 15.2 No Share shall be transferred unless the transfer is made in accordance with these Articles.
- 15.3 Except for a transfer pursuant to articles 15.4 or 16 to 19 (inclusive), no Shares may be transferred unless the Majority Shareholder agrees in writing to such a transfer.
- 15.4 A Shareholder which is a company may transfer all or any part of its shares to any member of the same Group as that Shareholder (such transferee being herein referred to as a **"Permitted Transferee"** and such transfer being herein referred to as a **"Permitted Transfer"**). Where Shares have been transferred to a Permitted Transferee and the transferee subsequently ceases to be a Permitted Transferee then the transferee shall forthwith transfer the relevant Shares back to the transferor or another Permitted Transferee of the transferor.
- 15.5 The provisions of articles 16 to 19 (inclusive) may be waived in whole or in part in any particular case with the consent in writing of all the Shareholders.

16 Voluntary Transfers

- 16.1 Notwithstanding any other provision of these articles, no transfer of Shares can be effected within the period of three years following the adoption of these articles unless with the consent of the other Shareholders.
- 16.2 Any shareholder wishing to transfer any Shares (a **"Proposing Transferor"**) shall give notice in writing of that fact to the Company (a **"Transfer Notice"**), stating the number and class of Share (the **"Sale Shares"**) he wishes to sell and the price per Sale Share at which he is willing to sell the Sale Shares (the **"Specified Price"**). A Transfer Notice shall be deemed to contain a condition (a **"Total Transfer Condition"**) that unless all of the Sale Shares are sold pursuant to the following provisions of this article, none shall be so sold. A Transfer Notice shall constitute the Company as the agent of the Proposing Transferor to act in accordance with the following provisions of this article 16.
- 16.3 A Transfer Notice (but not a deemed Transfer Notice) may be retracted by the Proposing Transferor (in respect of all but not some only of the Sale Shares and at any time prior to the allocation of the Sale Shares in accordance with article 16.5 but not thereafter) by the Proposing Transferor giving written notice to that effect to the Company.
- 16.4 Upon receipt or deemed receipt by the company of a Transfer Notice the Sale Shares shall be offered for purchase at the Specified Price by the Board to the remaining holders of the Shares in proportion to the number Shares held by them respectively. Every such offer shall be in writing and shall specify (a) the total number of Sale Shares; (b) the number of Sale Shares offered to each of the holders of the Shares (**"the Pro-Rata Entitlement"**); (c) that the Transfer Notice is deemed to contain a Total Transfer Condition and (d) a period of 90 days within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro-Rata Entitlement and for any shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period, the directors shall allocate the Transfer Shares in the following manner:

- 16.4.1 To each member who has agreed to purchase shares, his Pro-Rata Entitlement or such lesser number of Sale Shares for which he may have applied;
- 16.4.2 If any member has applied for less than his Pro-Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of shares then held by them respectively (but without allocating to any member a greater number of Sale Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this paragraph 16.3.2 without taking account of any member whose application has already been satisfied in full.
- 16.4.3 A Shareholder who accepts such offer is referred to below as a "Purchaser".
- 16.4.4 If any of the Sale Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members, or some of them, in such proportions as may be determined by lots drawn in respect thereof and the lots shall be drawn in such manner as the directors shall think fit.
- 16.5 No offer issued by the Board in accordance with article 16.3 shall be capable of acceptance unless all offers issued in respect of the Sale Shares have been accepted. If the Board shall not receive acceptances in respect of all of the Sale Shares within the period set out in article 16.3, it shall forthwith give notice in writing of that fact to the Proposing Transferor and none of the Sale Shares will be sold to the Shareholders.
- 16.6 If the Board shall receive acceptances in respect of all of the Sale Shares within the period set out in article 16.3, it shall forthwith allocate to each Purchaser his Pro-Rata Entitlement.
- 16.7 Upon such allocation being made the Purchasers shall be bound to pay the Specified Price for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the Proposing Transferor shall be bound upon payment of the Specified Price to transfer such Shares to the respective Purchasers.
- 16.8 If in any case a Proposing Transferor, after having become bound to transfer Shares as aforesaid makes default in so doing the Company may receive the Specified Price and the Board may appoint some person to execute instruments of transfer of such Shares in favour of the Purchasers and shall thereupon subject to such transfers being properly stamped (if applicable) cause the names of the Purchasers to be entered into the register of members as the holders of the Shares and shall hold the Specified Price in trust for the Proposing Transferor. The receipt of the Company therefor shall be a good discharge to the Purchasers and after the names shall have been entered in the register of members in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person.
- 16.9 If the Board shall give notice to the Proposing Transferor in terms of article 16.4, the Transfer Notice shall be of no further effect and (i) in the case of a Seller under articles 17 or 18 the Seller

may within a period of 3 months after the date of the said notice sell the Transfer Shares to the Proposed Buyer at any price which is not lower than the Specified Price; and (ii) in any other case the Sale Shares shall remain registered in the name of the Proposing Transferor.

16.10 A Proposing Transferor may not give more than one Transfer Notice in any one twelve month period.

16.11 Where any Shares are to be transferred in accordance with the terms of this article the Proposing Transferor shall be bound to transfer them free of any lien or encumbrance affecting those Shares and with a full warranty as to title.

17 Tag along

17.1 The provisions of article 17.2 to article 17.6 shall apply if a Shareholder ("**Seller**") proposes to transfer Shares to a bona fide arm's length purchaser ("**Proposed Transfer**") and such transfer would, if carried out, result in such person ("**Proposed Buyer**") acquiring not less than 40% of the Shares in the Company.

17.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer ("**Offer**") to the other Shareholders ("**Other Shareholders**") to purchase all of the Shares held by them for a consideration in cash per Share and on commercial terms that are at least equal to the price per Share and the commercial terms offered by the Buyer in the Proposed Transfer ("**Specified Price**").

17.3 The Offer shall be given by written notice ("**Offer Notice**"), at least ninety days ("**Offer Period**") before the proposed transfer date ("**Transfer Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

17.3.1 the identity of the Proposed Buyer;

17.3.2 the purchase price and other terms and conditions of payment;

17.3.3 the Transfer Date; and

17.3.4 the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").

17.4 If the Buyer fails to make the Offer in accordance with article 17.2 and article 17.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

17.5 If the Offer is accepted by the Other Shareholders in writing within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by the Other Shareholders.

17.6 The Proposed Transfer is subject to the rights of pre-emption set out in article 16 provided that if the directors give notice to the Seller in terms of article 16.4 the Seller may within a period of 3

months after the date of the directors' said notice sell the Transfer Shares to the Proposed Buyer at any price which is not lower than the Specified Price and the purchase of the Offer Shares shall not be subject to the rights of pre-emption set out in article 16.

18 Drag along

18.1 Notwithstanding any other provision of these articles, no transfer of Shares can be effected within the period of three years following the adoption of these articles unless with the consent of the other Shareholders.

18.2 If a Shareholder holding 40% or more of the Shares ("**Seller**") wishes to transfer all (but not some only) of its Shares to a Proposed Buyer, the Seller may require the other Shareholders ("**Called Shareholders**") to sell and transfer all of its Shares ("**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("**Drag Along Option**").

18.3 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("**Drag Along Notice**") at any time before the transfer of the Shares to the Proposed Buyer. The Drag Along Notice shall specify:

18.3.1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 18;

18.3.2 the person to whom the Called Shares are to be transferred;

18.3.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer to the Seller for the Shares and the commercial terms attaching to the transfer of the Called Shares is at least as favourable as the commercial terms on offer to the Proposed Buyer to the Seller for the Shares; and

18.3.4 the proposed date of the transfer.

18.4 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold the Shares to the Proposed Buyer within 90 days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

18.5 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 18.

18.6 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Shares unless:

18.6.1 the Seller and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or

- 18.6.2 that date is less than ninety days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the ninetieth day after service of the Drag Along Notice.
- 18.7 The proposed sale of the Shares by the Seller to the Proposed Buyer is subject to the rights of pre-emption set out in article 16 provided that if the directors give notice to the Seller in terms of article 16.4 the Seller may within a period of 3 months after the date of the directors' said notice sell the Transfer Shares to the Proposed Buyer at any price which is not lower than the Specified Price and the sale of the Called Shares by the Called Shareholders shall not be subject to the rights of pre-emption set out in article 16.
- 18.8 Within ninety days of the Seller serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant Share certificates (or suitable indemnities for any lost Share certificates) to the Company. On the expiration of that ninetieth day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 18.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18.9 To the extent that the Proposed Buyer has not, on the expiration of the thirtieth Business Day period referred to in article 18.7, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and Share certificates (or suitable indemnities) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their Shares.
- 18.10 If the Called Shareholders does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this article 18.10.

19 Procedure for declaring dividends

- 19.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 19.2 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.

DECISION MAKING BY SHAREHOLDERS

20 Quorum for general meetings

- 20.1 Subject to article 20.2 below, the quorum at any general meeting of the Company, or adjourned general meeting, shall be one person present in person or by proxy provided they hold or the Shareholder they represent hold over 50% in number of the Shares.
- 20.2 Any general meeting of the Company, or adjourned general meeting, in which a Shareholder Reserved Matter is being tabled shall only be quorate if each Shareholder holding over 40% in number of the Shares is present in person or by proxy.
- 20.3 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

21 Voting

- 21.1 Subject to article 21.2 below, at a general meeting, on a show of hands every Shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a Shareholder entitled to vote; on a poll every Shareholder present in person or by proxy shall have one vote for each Share of which he is the holder; and on a vote on a written resolution every Shareholder has one vote for each Share of which he is the holder.
- 21.2 No action or decision relating to any Shareholder Reserved Matter shall be taken unless approved by a Qualified Consent of the Shareholders.

22 Poll votes

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

23 Proxies

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

ADMINISTRATIVE ARRANGEMENTS

24 Means of communication to be used

- 24.1 Subject to article 24.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 24.1.1 if properly addressed and sent from within the United Kingdom by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted; or
 - 24.1.2 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
 - 24.1.3 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;
 - 24.1.4 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 24.1.5 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 24.1.6 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 24.2 Any notice, document or other information served on, or delivered to, an intended recipient under article 15, article 16, article 17, article 18 or article 19 (as the case may be) may not be served or delivered in electronic form, or by means of a website.
- 24.3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

25 Indemnity and insurance

- 25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 25.1.1 each relevant officer of the Company 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 affairs; and

- 25.1.2 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 25.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 25.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 25.3 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.
- 25.4 In this article:
 - 25.4.1 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 as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
 - 25.4.2 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 or any pension fund of the Company.