

Co. No SC 246391

Companies Act 1985



A Private Company Limited by Shares

Written Resolution

of

GILES HOLDINGS LIMITED

(hereinafter referred to as "the Company")

Pursuant to Section 381A of the Companies Act 1985

We the undersigned sole members of the above named Company being all the members who at the date hereof would be entitled to attend and vote at a general meeting of the Company hereby resolve as follows:-

Special Resolution

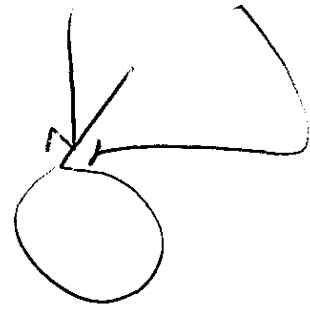
- A "That the existing Articles of Association be and are hereby cancelled and in substitution the Articles of Association attached to this resolution and subscribed for identification by a Director be and are hereby adopted as the Articles of Association of the Company.

Ordinary Resolution

- B THAT the terms of a Share Purchase Agreement entered into between (1) the Company and (2) Michael Ernest Giles, Christopher Michael Giles, Nicholas Joseph Giles, Alexandra Lesley Giles or McFadzean and Sally Anne Giles or Leslie in respect of the purchase by the Company of the entire issued share capital of Giles Insurance Brokers Limited be and is hereby approved for the purposes of Section 320 of the Companies Act 1985 and for all other purposes notwithstanding that the said Christopher Michael Giles and Nicholas Joseph Giles are Directors of the Company."

Declaring that pursuant to Section 381(A) of the Companies Act 1985, this Written Resolution need not be a single document but may be comprised of several documents (provided they are in an identical form) signed separately for administrative convenience by individual shareholders. Pursuant to Section 381(A)(3) the resolutions contained in the Written Resolution will be effective from the date of signature of the last member to sign.

Date.  29/10/2003



THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

GILES HOLDINGS LIMITED

Company Number 246391

Adopted by written resolution on: 30 October 2003

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

GILES HOLDINGS LIMITED

Company Number: 246391

Adopted by written resolution on: 30 October 2003

1. Preliminary

- 1.1 In these Articles the undernoted expressions shall have the meanings set opposite them below:

the Act shall mean the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

Board shall mean the board of directors of the Company;

Employee Trust means a trust established by the Company whose beneficiaries are the employees of the Company or its subsidiaries, or the wives, husbands, widows, widowers or children or step children under the age of 18 of such employees or former employees;

Exempt Issue means an issue of shares pursuant to or in terms of any option agreement or option scheme for the benefit of any employee or non-executive director of the Company or its subsidiaries representing not more than 20% of the Company's issued share capital at the date of adoption of these Articles.

- 1.2 The Regulations contained in 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 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.3 Regulations 4, 50, 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company. Regulation 6 of Table A shall be amended by the deletion of the words "shall be sealed with the seal and" where they appear on the sixth line thereof and Regulation 101 of Table A shall be modified by the insertion of the words ", if the Company has one," after the words "the seal" at the beginning of that regulation.

2. Share Capital

- 2.1 The Share Capital of the Company is £10,000 divided into 10,000,000 ordinary shares of £0.001 each (hereinafter referred to as "**Ordinary Shares**").
- 2.2 Save as may be provided by regulation 110 of Table A and subject to any contrary direction given by the Company in general meeting by special resolution, all shares (other than an Exempt Issue) which are comprised in the authorised share capital of the Company from time to time which the directors propose to issue shall first be offered, at par or at a premium and upon such other terms and conditions as the directors may determine, to all the members in proportion to the number of the existing shares held by them respectively and at the same price. Each such offer shall be made by notice specifying the total number of shares being offered to the members as a whole, the proportionate entitlement of the member to whom the offer is made and the price per share and shall require each member to state in writing within a

period (not being less than fourteen 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. An offer, if not accepted within the period specified as regards any shares, will be deemed to be declined as regards those shares. After the expiration of such period, those shares so deemed to be declined shall be offered in proportion as aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions shall not be issued. Any shares released from the provisions of this Article by any such special resolution as aforesaid 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. No share shall be issued at a discount or otherwise in breach of the provisions of these Articles or of the Act.

- 2.3 Regulation 4 of Table A and, in accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

3. **Lien**

The lien conferred by Regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder of the shares or one of several joint holders.

4. **Partly Paid Shares**

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment."

5. **Transfer of Shares - General**

The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register (and shall register) any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as the transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

6. **Transfer Provisions**

- 6.1 Save as otherwise provided in these Articles every member who desires to transfer any shares (hereinafter called "**the Vendor**") shall give to the Company notice in writing of such desire (hereinafter called a "**Transfer Notice**"). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein (hereinafter called "**the Sale Shares**") in one or more lots at the discretion of the directors at the Sale Price. Subject to Article 6.2 below, the Sale Price shall be the price agreed by the Vendor and the directors or if the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or if the Transfer Notice is a deemed Transfer Notice the price which a chartered accountant (acting as an expert and not as an arbiter) nominated by agreement between the Vendor and the Company or in default of such agreement by the President for the time being of the Institute of Chartered Accountants of Scotland shall by writing under his hand certify to be in his opinion a fair value thereof on a going concern basis as between a willing seller and a willing buyer and on the assumption that the Sale Shares are capable of transfer without restriction and ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or

majority interest (as the case may be) with the result that the said chartered accountant shall value the Sale Shares in accordance with the following formula:

$$A = \frac{B}{C} \times D$$

where:

A is the fair value of the Sale Shares;

B is the number of Sale Shares;

C is the total number of issued shares of the same class as the Sale Shares; and

D is the value of all the issued shares of the same class as the Sale Shares (as determined by the said chartered accountant in accordance with and applying the foregoing provisions of this Article).

- 6.2 If a chartered accountant is asked to certify the fair value as aforesaid his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for shares sold pursuant to a deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

- 6.3 Upon the price being fixed as aforesaid and provided that the Vendor shall not give a valid notice of cancellation the Company shall forthwith offer the Sale Shares to all holders of Ordinary Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Ordinary Shares held by such members.

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for twenty one days ("**the First Offer Period**").

Second Offer

If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant member to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of Ordinary Shares held by the relevant members. This further offer will remain open for a further period of twenty one days ("**the Second Offer Period**").

- 6.4 Subject to the provisions of Articles 6.8, 6.9 and 6.10 if the Company shall pursuant to the above provisions of this Article 6 find a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holders of such of the Sale Shares as shall have been transferred to them as aforesaid.

- 6.5 If the directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article 6, then the Company shall have the option (but not the obligation) to purchase all of the Sale Shares which have not been sold. In the event that the Company does not elect to purchase all of the Sale Shares in accordance with the provisions of this Article 6.5, the Employee Trust has the option (but not the obligation) to purchase said Sale Shares.
- 6.6 A Transfer Notice shall be deemed to have been given to the Company by any member who purports to transfer any shares other than in accordance with these Articles without giving a Transfer Notice to the Company and, in those circumstances, the deemed Transfer Notice shall:-
- 6.6.1 be deemed to apply to the number and class of shares purported to have been transferred;
- 6.6.2 entitle the Company to require delivery to it of the certificate for the shares purported to have been transferred;
- and where the context admits references in these Articles to a Transfer Notice shall include a deemed Transfer Notice and references in these Articles to a Vendor shall include a member deemed to have served a Transfer Notice.
- 6.7 On the death of a member, on the appointment of a trustee in sequestration or to trustees acting under a trust deed or equivalent in respect of the insolvency of a member or on the appointment of a guardian or equivalent in the event of the incapacity of a member, a Transfer Notice shall be deemed to have been served in respect of the deceased, insolvent or incapacitated member's entire shareholding. The Sale Price shall be the fair value calculated in accordance with Article 6.1 and the other provisions of Articles 6.1 to 6.5 shall apply save that the first offer made to the holders of the Ordinary Shares will remain open until the date being six months after the date of death, insolvency or incapacity of the deceased whose shares are the subject of the deemed Transfer Notice.
- 6.8 In the event that the directors do not find a member or members of the Company willing to purchase a deceased member's entire shareholding and neither the Company nor the Employee Trust are willing to do so, then notwithstanding the provisions of Article 6.4, said entire shareholding shall be transferred to the survivor or survivors where the deceased member was a joint holder and his personal representatives where he was a sole holder or the only survivor of joint holders, and Regulation 29 of Table A shall be modified accordingly. In the event that such personal representatives propose to transfer any of the deceased member's shares to any person (other than the beneficiaries under the deceased member's will) at a consideration less than the Sale Price assessed for the purposes of the deemed Transfer Notice under Article 6.7, the personal representatives shall be deemed to have given a further Transfer Notice and the transfer provisions contained in Articles 6.1 to 6.5 shall apply save that the Sale Price shall be the price per share at which the personal representatives propose to transfer such shares to such party.
- 6.9 In the event that the directors do not find a member or members of the Company willing to purchase an insolvent member's entire shareholding and neither the Company nor the Employee Trust are willing to do so then notwithstanding the provisions of Articles 6.4, said entire shareholding shall be transferred to the trustee in sequestration or to trustees acting under a trust deed (or equivalent) of the insolvent member. In the event that such trustee or trustees proposes to transfer any of the insolvent member's shares to any person at a consideration less than the Sale Price assessed for the purpose of the deemed Transfer Notice under Article 6.7, the trustee or trustees shall be deemed to have given a further Transfer Notice and the transfer provisions contained in Articles 6.1 to 6.5 shall apply save that the Sale Price shall be the price per share at which the trustee or trustees proposes to transfer such shares to such party.
- 6.10 In the event that the directors do not find a member or members of the Company willing to purchase an incapacitated member's entire shareholding and neither the Company nor the

Employee Trust is willing to do so, then notwithstanding the provisions of Article 6.4, said entire shareholding shall be transferred to the guardian or equivalent of the incapacitated member. In the event that such guardian or equivalent proposes to transfer any of the incapacitated member's shares to any person (other than the incapacitated member's spouse or children) at a consideration less than the Sale Price assessed for the purposes of the deemed Transfer Notice under Article 6.7 the guardian or equivalent shall be deemed to have given a further Transfer Notice and, the transfer provisions contained in Articles 6.1 to 6.5 shall apply save that the Sale Price shall be the price per share at which the guardian or equivalent proposes to transfer such shares to such party.

- 6.11 Notwithstanding the provisions of this Articles 6, any Senior Original Member shall be entitled to transfer any Ordinary Share held by him to his spouse and/or any of his children by way of gift during his lifetime or on his death without a Transfer Notice being served or being deemed to have been served. For the purposes of this Article the expression "Senior Original Member" means any Original Member (as defined in Article 12.5) who is aged 60 years or over at the date of adoption of these Articles.
- 6.12 In the event that an Original Member holding a Controlling Interest (as defined below) on the day immediately following the date of adoption of these articles is in breach of any agreement entered into among the Original Members on the date of adoption of these articles in accordance with its terms the remaining Entitled Members (as defined below) or any of them shall be entitled by written notice to require such Original Member to purchase all (but not some only) of the shares in the Company registered in that Entitled Member's name within 28 days of the date of such notice at a price being the total of the fair value thereof (as calculated in accordance with Article 6.1 above) plus 25% of such fair value and in such circumstances the provisions of Articles 6.1 to 6.5 (other than in respect of the calculations of fair value) shall not apply to any such transfer.
- 6.13 In the event that any of the Entitled Members (under exception of Christopher Michael Giles) who do not hold a Controlling Interest are in breach of any agreement entered into among the Original Members on the date of adoption of these articles in accordance with its terms such Entitled Member shall be deemed to have served a Transfer Notice in accordance with these Articles in respect of all the shares in the Company registered in the name of that Entitled Member save that such Transfer Notice shall not be revocable.

7. Limitation on Transfer of Control

- 7.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company by a company or a person or persons who was or were not (1) a member or members of the Company on the date of adoption of these Articles of Association or (2) the survivor or survivors or personal representatives or beneficiaries under a will of a deceased member; or (3) the trustee in sequestration or trustee acting under a trust deed or equivalent of an insolvent member; or (4) the guardian or equivalent or the spouse or children of an incapacitated member unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the Ordinary Shares at the Specified Price (as hereinafter defined).
- 7.2 For the purpose of this Article:-
- 7.2.1 the expression "a **Controlling Interest**" shall mean an interest (within the meaning of Schedule 13 Part I and Section 324 of the Act) in shares in a company conferring in the aggregate 50.1% or more of the total voting rights conferred by all the issued shares in that company;

- 7.2.2 the expressions “transfer” and “transferee” shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment; and
- 7.2.3 the expression “**the Specified Price**” shall mean a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other Ordinary Shares in the capital of the Company plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such shares, and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire, who shall act as an expert and not as an arbiter and shall be nominated by the parties concerned or failing agreement as to such nomination shall be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland and the decision of such umpire shall be final and binding.
- 7.3 Subject to the provisions of Article 7.4, if an offeror for shares in the Company, having made offers in like terms to all the members of the Company receives valid acceptances which would, on completion, result in such offeror becoming the holder of not less than 50.1% of the Ordinary Shares then in issue then:
- 7.3.1 such offeror may give notice to any non-accepting holder of shares requiring him to accept the offer within 14 days and stating that, failing such acceptance, he shall be deemed to have accepted such offer in respect of all Ordinary Shares held by him and irrevocably to have waived any pre-emption rights he may have in relation to any shares the subject of such offer;
- 7.3.2 upon the expiry of such notice each recipient thereof shall be obliged to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the shares which were the subject of the notice together with executed waiver of pre-emption rights, if appropriate;
- 7.3.3 if any such member fails to deliver executed share transfer form(s), share certificate(s) and pre-emption waiver(s) (if appropriate) as set out above he shall be deemed to have appointed any director of the Company to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such member) of the appropriate purchase moneys, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such member’s share certificate(s) has/have not been produced; and
- 7.3.4 after such offeror or his nominee has been registered as the holder of shares transferred in accordance with this article the validity of such transaction shall not be questioned by any person.
- 7.4 For the avoidance of doubt on the death, insolvency or incapacity of Christopher Michael Giles, the provisions of Article 7.3 shall not apply until the provisions of Article 6.7 have first been complied with.
- 7.5 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 7. For the avoidance of doubt, in the event that an offer for shares is made in terms of Article 7.3, then subject to the terms of Article 7.4, the provisions of Article 6 shall cease to apply to the transfer.
8. **Deadlock**
- 8.1 This Article shall apply in any case where:-

- 8.1.1 a matter relating to the affairs of the Company which requires the approval of all or some of the members of the Company has been considered and agreed by a meeting of the Board; and
- 8.1.2 certain members of the Company ("**the Dissenting Shareholders**") are not in agreement with the position adopted by the Board and certain other members ("**the Accepting Shareholders**") are in agreement but are insufficient in number to give approval to the matter.

Any such case is hereinafter referred to as a "**Deadlock**".

- 8.2 In the event of Deadlock each of the Dissenting Shareholders and the Accepting Shareholders (or a nominee appointed in respect thereof) shall within 7 days of such Deadlock having arisen or becoming apparent, prepare and circulate to the other shareholders (or their nominees) and the Board a memorandum or other form of statement setting out its position on the matter in dispute and its reasons for adopting such position. Each such memorandum or statement shall be considered by the other shareholders who shall use their reasonable endeavours to resolve such dispute. If they agree upon a resolution or disposition of the matter, they shall jointly execute a statement setting forth the terms of such resolution or disposition and the Dissenting Shareholders and the Accepting Shareholders shall exercise the voting rights and other powers of control available to them in relation to the Company to procure that such resolution or disposition is fully and promptly carried into effect.
- 8.3 If a resolution or disposition is not agreed in accordance with the provisions of Article 8.2 within 30 days after delivery of the memorandum or statement mentioned therein, or such longer period as the Dissenting Shareholders and the Accepting Shareholders may agree in writing, the Accepting Shareholders may, not later than 7 days after the expiry of the 30 day period referred to above, by notice in writing to the Dissenting Shareholders require that the Dissenting Shareholders shall within 28 days of the date of the notice transfer all (but not some only) of the shares held or beneficially owned by such Dissenting Shareholders to the Accepting Shareholders (or any third party nominated by them) at a price equivalent to the aggregate of (i) the fair value determined in accordance with Article 6 and (ii) 25% of such fair value. In the event that the Dissenting Shareholders make default in transferring their Shares, the provisions of Article 6.4 shall apply.

9. General Meetings

The directors may call general meetings and regulation 37 of Table A shall not apply to the Company.

10. Notice of general meetings

- 10.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and regulation 38 of Table A shall be modified accordingly. The words "or a resolution appointing a person as a director" and paragraphs (a) and (b) in regulation 38 of Table A shall be deleted and the words "in accordance with section 369(3) of the Act" shall be inserted after the words "if it is so agreed" in that regulation.
- 10.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the profit and loss account, balance sheet, and the reports of the directors and auditors, the appointment of and the fixing of the remuneration of the auditors, the giving or renewal of any authority in accordance with the provisions of section 80 of the Act.
- 10.3 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is

entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

11. Proceedings at general meetings

- 11.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and at all times throughout the meeting thereafter; save as herein otherwise provided two members present in person or by proxy (or, being a corporation, by representative) shall be a quorum.
- 11.2 If a quorum is not present within half an hour from the time appointed for a general meeting or ceases to be present the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine.
- 11.3 If at an adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for 13 days or more and due notice in such regard was given to the members within 5 days of the adjournment whereupon the quorum at any such adjourned meeting shall be any two members present in person or by proxy (or, being a corporation, by representative).

12. Votes of members

- 12.1 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.
- 12.2 Regulation 54 of Table A shall not apply to the Company. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each share of which he is the holder.
- 12.3 The words "be entitled to" shall be inserted between the words "shall" and "vote" in regulation 57 of Table A.
- 12.4 A member shall not be entitled to appoint more than one proxy to attend on the same occasion and accordingly the final sentence of regulation 59 of Table A shall not apply to the Company. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.
- 12.5 In the event of the death, insolvency or incapacity of an Original Member who is the holder of more than 50% of the issued share capital of the Company as at the date of his death, insolvency or incapacity then:-
- 12.5.1 the Ordinary Shares held by the personal representatives, trustee in bankruptcy, guardian or similar appointee in respect of the estate of such deceased, insolvent or incapacitated member or to which such appointee is entitled shall immediately cease to entitle the holder of such Ordinary Shares to vote either on a show of hands or on a poll at any general meeting of the Company until a resolution is proposed to alter or replace the articles of association of the Company in any way or until such time as such Ordinary Shares are sold to another member or to a third party for value in accordance with these Articles ; and
- 12.5.2 during such period of cessation the Entitled Members shall at any general meeting of the Company be entitled on a poll to the number of votes per Ordinary Share (rounded up or down to the nearest whole number) as "a" equals in accordance with the following formula:-

$$a = 1 + (b \times c/d)$$

where

b = the number of Ordinary Shares held by the deceased or incapacitated member;

c = the number of Ordinary Shares held by the Entitled Member; and

d = the number of Ordinary Shares held by all the Entitled Members.

12.6 For the purpose of this Article:-

12.6.1 the expression “**Original Member**” shall mean any person who is a member of the Company on or prior to the date of adoption of these Articles; and

12.6.2 the expression “**Entitled Member**” shall mean any Original Member and/or any person to whom any Senior Original Member (as defined in Article 6.9) has transferred any Ordinary Share in accordance with Article 6.9.

13. **Appointment of Directors**

13.1 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. In addition, the holders of shares representing more than half of the shares which carry the right to attend and vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

14. **Proceedings of Directors**

14.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.

14.2 In the case of an equality of votes at any meeting of the directors the Chairman of such meeting shall not be entitled to a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

14.3 Any director (or, where appropriate, his alternate director) may participate in a meeting of the directors by means of conference telephone or other communications equipment whereby all parties participating at the meeting can hear and speak to one another and participation in this manner shall be deemed to constitute presence in person at such meeting. In any such meeting, the place where the majority of the directors are present, or, in any case where there is no majority, the place where the chairman of the meeting is present, shall be deemed to be the place of the meeting.

15. **Directors Interests**

15.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

15.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

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

- 15.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- 15.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- 15.1.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this article.
- 15.2 For the purpose of this article:
- 15.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- 15.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 15.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

16. **Indemnity**

Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, 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 relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.