

**Filing Copy**  
**Company No: SC276481**

THURSDAY



**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**WRITTEN RESOLUTIONS**

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**of**

**CYTOSYSTEMS LIMITED**

**(Company)**

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The following members written resolution is a copy of the written resolution of the Company agreed to by the members of the Company entitled to vote, on 18 September 2018 in accordance with Chapter 2 of Part 13 of the Companies Act 2006.

**SPECIAL RESOLUTION**

- (1) "THAT the Company adopts new articles of association in the form of draft articles of association attached to these Resolutions and initialled for the purpose of identification by a director of the Company in substitution for and to the entire exclusion of the existing articles of association of the Company."

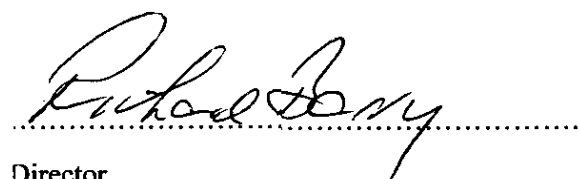
**ORDINARY RESOLUTIONS**

- (2) "THAT, subject to the passing of Resolution (1), the terms of a share buyback agreement between the Company and Mr Richard Berry for the purchase by the Company of 4,923 fully paid Deferred Convertible Non-Participating Non-Voting Ordinary shares of £0.01 each in the issued share capital of the Company for a total consideration of £49.23, in terms of the agreement attached to these written resolutions, be and are hereby approved."
- (3) "THAT, subject to the passing of Resolution (1), the terms of a share buyback agreement between the Company and The Trustees of The Galloway Family Trust for the purchase by

the Company of 6,063 fully paid Deferred Convertible Non-Participating Non-Voting Ordinary shares of £0.01 each in the issued share capital of the Company for a total consideration of £60.63, in terms of the agreement attached to these written resolutions, be and are hereby approved.”

- (4) “THAT, subject to the passing of Resolution (1), the terms of a share buyback agreement between the Company and Mr Malcolm MacDonald for the purchase by the Company of 5,433 fully paid Deferred Convertible Non-Participating Non-Voting Ordinary shares of £0.01 each in the issued share capital of the Company for a total consideration of £54.33, in terms of the agreement attached to these written resolutions, be and are hereby approved.”
- (5) “THAT the 258 Redeemable Convertible Non-Voting Preference shares of £0.01 each in the issued share capital of the Company registered in the name of James George Oag as at the date hereof, forming part of the issued share capital of the Company, be and are hereby re-classified as 258 ‘D’ Ordinary shares of £0.01 each, having the rights, and being subject to the restrictions, as set out in articles of association of the Company as adopted by resolution 1 above.”

They are subscribed for and on behalf of the Company as undernoted:

  
.....  
Director

18/9/18  
.....  
Date

THE COMPANIES ACTS 1985 AND 2006

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PRIVATE COMPANY LIMITED BY SHARES

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RJB.

ARTICLES OF ASSOCIATION

of

CYTOSYSTEMS LIMITED

(adopted pursuant to a Written Resolution passed on 21 May 2012 and amended by special resolution on 8 November 2013, 27 March 2014, 27 August 2014, 19 February 2015, 29 January 2016 and \_\_\_\_\_ 2018)

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PRELIMINARY

- 1 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 and further amended by the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Table A to F) (Amendment) (No.2) Regulations 2007 (such Regulations being hereinafter called "Table A") shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith, and such Regulations (save insofar as they are excluded or varied hereby or are inconsistent herewith) and these Articles shall be the Articles of Association of the Company.
- 2 In these Articles, references to the "Act" are references to the Companies Act 2006 (and where relevant the Companies Act 1985), but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 3 The Company is a private company, and accordingly no invitation shall be made to the public to subscribe for any shares or debentures of the Company.

DEFINITIONS

- 4 In these Articles the following words and phrases shall have the meanings set out opposite them below:-

<b>2014 Convertible Loan Agreement</b>	means the convertible loan agreement entered into among the Company, Scottish Enterprise and Jamie Oag dated 21 August 2014 and 27 August 2014;
<b>2015 Convertible Loan Agreement</b>	means the convertible loan agreement entered into among the Company, Scottish Enterprise and Jamie Oag dated 19 February 2015;
<b>“A Ordinary Shares”</b>	means the A Ordinary Shares of 1p each in the share capital of the Company having the rights and being subject to the restrictions set out in these articles;
<b>“Aurora”</b>	Aurora Private Equity Limited, registered in Scotland, Company Number SC246318;
<b>“Balmoral Investor”</b>	means Roy Roxburgh;
<b>“Board”</b>	means the board of directors of the Company from time to time;
<b>“Business Day”</b>	means any day (except a Saturday or Sunday) when clearing banks are generally open for business in Edinburgh, Scotland.
<b>“B Ordinary Shares”</b>	means the B Ordinary Shares of 1p each in the share capital of the Company having the rights being subject to the restrictions set out in these articles;
<b>“C Ordinary Shares”</b>	means the C Ordinary Shares of 1p each in the share capital of the Company having the rights being subject to the restrictions set out in these articles;
<b>“Completion”</b>	has the meaning attributed to it in the Shareholders Agreement;
<b>“Convertible Loan Agreement”</b>	Means the convertible loan agreement entered into by, amongst others, the Company, Scottish Enterprise and Jamie Oag dated on or around 26 <sup>th</sup> March 2014;
<b>“D Ordinary Shares”</b>	means the D Ordinary Shares of 1p each in the share capital of the Company having the rights and restrictions as set out in these articles;
<b>“Dependent Relative”</b>	means the spouse of the member or the member’s children or grandchildren (including step and adopted children and

their issue) or step or adopted children of the member's children who require full time care in respect of any degenerative and/or disabling illness;

**"E Ordinary Shares"**

means the E Ordinary Shares of 1p each in the share capital of the Company having the rights and restrictions as set out in these articles;

**"Employee Trust"**

a trust the beneficiaries of which are the bona fide employees of the Company or any of its subsidiaries;

**"Family Trust(s)"**

a trust which only permits the settled property or the income therefrom to be applied for the benefit of:

- (a) the settlor and/or a Privileged Relation of that settlor; or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities); and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

**"Grampian"**

Grampian Venture Capital Fund, being a company incorporated in Scotland (Registered Number SC103297) and having its registered office at Union Plaza (6<sup>th</sup> Floor), 1 Union Wynd, Aberdeen AB10 1DQ;

**"Group"**

means the Company, any company of which it is a Subsidiary (a holding company) and any Subsidiaries for the time being of the Company and such holding company;

**"Investor"**

means each of Aurora, Scottish Enterprise, Grampian, Mr Oag and the Balmoral Investor (acting collectively) and their respective successors for so long as they continue to hold Ordinary Shares;

<b>“Investor Director”</b>	means any director appointed in terms of article 31;
<b>“Investor Majority”</b>	means a majority by number of the Investors;
<b>“Issue Price”</b>	means the amount paid up or credited as paid up on the shares concerned (including any premium on issue);
<b>“Leaver”</b>	means any member who is employed by or is a director of the Company or another member of its Group and who ceases to be a director or employee of the Company or another member of its Group for any reason, except his own death, retirement, ill health or to care for a Dependent Relative, but only during the period of four years commencing from the date his employment by the Company or another member of its Group begins or he is appointed to the office of director the Company or another member of its Group. For this purpose, a consultant shall be deemed to be an employee and references in these Articles to cessation of employment include cessation of consultancy;
<b>“Listing”</b>	<p>means in relation to any of the issued share capital of the Company:</p> <p>(i) the grant of permission (and announcement thereof) by the London Stock Exchange for the same to be dealt in on the Alternative Investment Market of the London Stock Exchange; or</p> <p>(ii) the admission of the grant of permission (and announcement thereof if applicable) for the same to be dealt with in on some other market similar or equivalent to those aforesaid whether in the UK or elsewhere; or</p> <p>(iii) a reverse takeover (within the meaning contained in (and accordance with) the UKLA publication entitled “the Listing Rules” current at the date of adoption of these Articles) by another company whose shares are already the subject of a Listing.</p>
<b>“Management Shareholders”</b>	means each of the Richard Berry, Dr David Galloway and Malcolm Macdonald, for so long as they continue to hold A Ordinary Shares and such other persons for the time being holding the office of director of the Company (other than an Investor Director) and holding A Ordinary Shares;
<b>“Member of the Aurora</b>	means the members from time to time of Aurora;

**Investors Group”**

<b>“Mr Oag”</b>	means Jamie Oag, residing at 5 Woodlands Crescent, Pitfodels, Aberdeen AB15 9DH;
<b>“Ordinary Shares”</b>	the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the E Ordinary Shares;
<b>“Privileged Relation”</b>	the spouse of the member and the member’s children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member’s children;
<b>“Sale”</b>	means the sale to any person, firm or company of at least 75% of the issued equity share capital of the Company;
<b>“Scottish Enterprise”</b>	means Scottish Enterprise acting through the Scottish Co Investment Fund, established by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ;
<b>“Scottish Enterprise Group”</b>	means Scottish Enterprise, any subsidiary for the time being of Scottish Enterprise and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Scottish Enterprise or any subsidiary of such company, corporation or body and any other body to which the statutory functions of Scottish Enterprise have been delegated or a Scottish Enterprise Successor and the expression “member of the Scottish Enterprise Group” shall be construed accordingly;
<b>“Scottish Enterprise Successor”</b>	means any party succeeding in whole or in part to the interests of Scottish Enterprise;
<b>“Shareholders Agreement”</b>	means the investment agreement among Richard Berry, Dr David Galloway, Malcolm Macdonald, Wellbeach Associates, Aurora, Scottish Enterprise, Grampian, the Balmoral Investor, and Cancer Research Technology Limited and the Company dated 2 <sup>nd</sup> , 3 <sup>rd</sup> and 8 <sup>th</sup> November 2006 (as amended or varied from time to time);
<b>“Shares”</b>	means any shares in the capital of the Company; and

“Subsidiary” means, in relation to a company (a holding company), a subsidiary (as defined in Section 1159 of the Companies Act 2006) and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company.

Whether or not persons are “acting in concert” will be determined by the then most recent edition of the City Code on Takeovers and Mergers, but investors will not be considered to be acting in concert merely by reason of co-operation in a syndicate in the ordinary course of their business.

In these Articles:

- (i) Article headings are included for convenience only and shall not affect the construction of these Articles;
- (ii) words denoting the singular shall include the plural and vice versa and words denoting one gender shall include each and all genders; and
- (iii) references to persons are deemed to include references to natural persons, to firms, to companies, to corporations, to associations, to organisations and to trusts (in each case whether or not having separate legal personality).

## **LIABILITY**

- 5 The liability of the members of the Company is limited by the amount, if any, unpaid on the shares held by them.

## **RIGHTS ATTACHED TO THE SHARES**

- 6.1 The A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and E Ordinary Shares shall, except as expressly provided in these articles, confer upon the holder thereof the same rights and rank *pari passu* in all respects. 6.2 **Return of Capital**

On a return of capital on liquidation, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

- 6.2.1 first, in paying to each of the holders of the Ordinary Shares in respect of each Ordinary Share of which it is a holder, an amount equal to the Issue Price thereof;
- 6.2.2 second, the balance of such assets shall be distributed amongst the holders of the Ordinary Shares (*pari passu* as if the same constituted one class of share) in proportion to the amounts paid up on the Ordinary Shares held by them respectively.



### 6.3 Voting Rights

The voting rights attached to each class of Shares shall be as set out in this article:

- 6.3.1 on a show of hands, every Shareholder holding one or more Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote; and
- 6.3.2 on a poll, every Shareholder holding one or more Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Ordinary Share of which he is the holder.

### ALLOTMENT OF SHARES

- 7 [Not used]
- 8 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities, the Directors shall be bound to offer to each member of the Company such a proportion of any equity securities forming part of the equity share capital of the Company which the directors determine to issue as the aggregate nominal value of shares in the equity share capital of the Company for the time being held by such member bears to the total issued equity share capital of the company immediately prior to the issue of the equity securities.
- 8A The issue of any shares pursuant to the Convertible Loan Agreement, the 2014 Convertible Loan Agreement and the 2015 Convertible Loan Agreement shall not be subject to the pre-emption provisions under these Articles (including but not limited to Article 8 above), the Shareholders Agreement, or otherwise.
- 9 Save as otherwise required by law or provided in these Articles, the Company shall not be compelled to recognise any equitable, contingent, future or partial interest in any share or any fraction of a share, except the absolute right of the registered holder to the entirety thereof.
- 10 [Not used]
- 11 The Directors may from time to time (subject to any terms which any shares may have been issued) make calls on such terms as they may think fit upon the members in respect of all or any moneys unpaid on their shares and each member shall be liable to pay the calls so made and any money payable on any share under the terms of the allotment thereof to the persons and at the times and places appointed by the Directors. A call may be required to be paid by instalments. A call may be revoked in whole or in part or its payment postponed in whole or in part by the Directors. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

## **LIEN**

- 12 In regulation 8 of Table A the words “(not being a fully paid share)” shall be omitted and the words “and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or the estate of any of them to the Company” shall be inserted after the words “in respect of that share”.

## **SHARE CERTIFICATES**

- 13 In the second sentence of regulation 6 of Table A there shall be inserted after the words “sealed with the seal” the words “or subscribed by two directors or a director and the secretary or two authorised signatories of the Company”.

## **SHARES**

- 14 The liability of any member in default in respect of a call shall include liability for all expenses that may have been incurred by the Company by reason of such default and any notice given in accordance with regulation 18 of Table A may also require payment of such expenses.

## **PURCHASE OF OWN SHARES**

- 14A Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

- (i) £15,000; and
- (ii) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

## **TRANSFER OF SHARES**

- 15 The transferor of shares shall remain the holder thereof and a member by virtue thereof until the transferee is entered in the register of members as the holder of the shares.
- 16 Regulation 24 of Table A shall not apply to the Company. No member shall dispose of or transfer any share and the directors shall not register the transfer of any share except as permitted by Article 17 or as permitted by and made in accordance with Article 18. 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.

17 References in this Article 17:

- (i) to disposing of or transferring any shares shall include disposing of any interest in or *right attaching to any shares or renouncing or assigning any right to receive or to subscribe for any shares or creating or permitting to exist any charge, lien or encumbrance over any shares or agreeing to do any such thing; and*
- (ii) to the transfer of a share shall include the transfer of the beneficial ownership of such share.

17.1 Notwithstanding any other provision of these Articles, any Ordinary Share in the Company may at any time be transferred:-

17.1.1 by any member which is a company to another company which is part of its Group (and for the purposes of this clause 'Group' shall include in relation to CRT, the University of Cambridge or any affiliate or nominee of the University of Cambridge provided such affiliate or nominee does not compete with any business of the Company either at the date of adoption of these Articles or at the date of the relevant transfer), provided that where shares have been transferred pursuant to this Article 18.1.1 (whether directly or by a series of transfers) from a body corporate (the "Transferor Company"), to a company which is in its Group (the "Transferee Company") and the Transferee Company ceases to be a member of the same Group as the Transferor Company, the Transferee Company shall forthwith transfer back to the Transferor Company all of the shares previously transferred, and if it fails to do so within 14 days of a written request from the directors to do so, then the Transferee Company shall be deemed to have given a Transfer Notice pursuant to and having the effect set out in Article 18 hereof;

17.1.2 by any member (not being a holder of the shares as a trustee or nominee) to a Privileged Relation of such member:

17.1.3 by any member ('the Original Member' for the purposes of this Article) to trustees to be held on Family Trusts (as hereinafter defined) of such Member and by the trustee(s) of such trust (or of any Family Trust to which the shares have been transferred under this Article 17.1.3) to:

- (i) a new trustee on any change of trustees of the Family Trust; or
- (ii) to the trustees for the time being of any other Family Trust of the Original Member;

- 17.1.4 on the total or partial termination of the Family Trust to the relevant Original Member or any Privileged Relation of the Original Member;
  - 17.1.5 by Aurora to any Member of the Aurora Investors Group or by any Member of the Aurora Investors Group to Aurora or to any other Member of the Aurora Investors Group in each case without restriction as to price or otherwise;
  - 17.1.6 by any member of the Scottish Enterprise Group to any other member of the Scottish Enterprise Group, without restriction as to price or otherwise; or
  - 17.1.7 by Grampian to any member of Grampian or by any member of Grampian to any other member of Grampian in each case without restriction as to price or otherwise.
- 17.2 Subject to Article 18.2 but notwithstanding any other provision of these Articles any Management Shareholder, or his Privileged Relations or Family Trust may transfer any A Ordinary Shares to another Management Shareholder.
- 17.3 Subject to Article 18.2 but notwithstanding any other provision of these Articles any Management Shareholder, or his Privileged Relations or Family Trust may transfer any D Ordinary Shares to another Management Shareholder.
- 18 Subject to Article 17 and, unless otherwise agreed in writing by all of the members of the Company holding Ordinary Shares, the following provisions shall apply to all transfers of Ordinary Shares, except as otherwise provided in these Articles.
- 18.1 Any member proposing to transfer any Ordinary Shares must give prior written notice to the Company specifying the proposed transferee, the number of shares proposed to be transferred and in the case of a sale the proposed price per share, or in the case of any other transfer, the amount which in his opinion constitutes the value per share. Subject to Article 18 and in accordance with Article 18.2 the members holding Ordinary Shares shall have the right to purchase all or any of such shares either at the said proposed price or stated value per share or the fair value per share fixed by an independent expert as specified in Article 18.4 below.

For the purposes of these Articles the member proposing to transfer any Ordinary Shares is called “the Vendor”, the prior written notice he must give is called a “Transfer Notice”, the shares the Vendor proposes to transfer as specified in a Transfer Notice are called “the Offered Shares”, and the other member or members purchasing such shares is/are called “the Purchasing Member(s)”.

A Transfer Notice authorises the Company to sell all (but not only some of) the Offered Shares to the Purchasing Member(s) as agent of the Vendor, either at the price or value per share specified in the Transfer Notice or at the fair value per share fixed by the independent

expert as specified in Article 18.4 below. Unless 75% of the other members agree, a Transfer Notice cannot be withdrawn.

- 18.2 The Offered Shares shall be offered to the members holding Ordinary Shares (other than the Vendor). Any Offer Notice shall state the proposed transferee and the price or value per share specified in the Transfer Notice and shall be open for written acceptance by application from the recipients of the Offer Notice only for a period of thirty days from its date, provided that if a certificate of valuation is requested under Article 18.4 below the offer shall remain open for such written acceptance by application for a period of thirty days after the date on which notice of the fair value certified in accordance with Article 18.4 is given by the Company to the members. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the application is received by the Company.

The Offered Shares of the class specified in column (1) below shall be allocated first in satisfaction of the applications received from the members holding the class of share set out in the corresponding line of column (2) in accordance with the provisions set out in Article 18.3. After all applications for Offered Shares by that class have been satisfied any Offered Shares remaining shall be allocated in satisfaction of applications received from Offered holding the class of share set out in the corresponding line of column (3) in accordance with the provisions set out in Article 18.3.

<b>(1) Class of Sale Shares Applicants</b>	<b>(2) First Preferred Applicants</b>	<b>(3) Second Preferred Applications</b>
A Ordinary Shares	A Ordinary Shares	B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and E Ordinary Shares together as a single class
B Ordinary Shares	B Ordinary Shares	A Ordinary Shares, C Ordinary Shares, D Ordinary Shares and E Ordinary Shares together as a single class
C Ordinary Shares	C Ordinary Shares	A Ordinary Shares, B Ordinary Shares, D Ordinary Shares and E Ordinary Shares together as a single class
D Ordinary Shares	D Ordinary Shares	A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and E Ordinary Shares together as a single class
E Ordinary Shares	E Ordinary Shares	A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares together as a

single class

18.3 if the total number of Offered Shares applied for by the members of the relevant class pursuant to Article 18.2 is equal to or less than the number of Offered Shares available, the Offered Shares shall be allocated in satisfaction of the applications received.

- a) If the total number of Offered Shares applied for is more than the number of Offered Shares available, the directors shall allocate Offered Shares in satisfaction of each member's application for Offered Shares in accordance with the following formula. This formula shall be applied repeatedly until such time as there are no Offered Shares remaining to be allocated. Each application of the formulae is herein referred to as an "iteration".

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

A is the number of Offered Shares to be allocated to the relevant member in the iteration

B is the number of Ordinary Shares held by the member

C is the number of Ordinary Shares held by all members to whom the iteration is being applied

D is the number of Offered Shares or, after the first iteration, the number of Offered Shares remaining unallocated by previous iterations.

If, in any iteration, a member would be allocated all or more than all of the Offered Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member. That member will cease to take part in any further iterations and the excess Offered Shares will be available for allocation in the next iteration.

If any shares shall not be capable without fractions of being offered to the members in proportion to their existing holdings of Ordinary Shares, the same shall be offered to the members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit.

- b) The Company shall notify the Vendor and each member who applied for Offered Shares of the number of Offered Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Offered Shares shall be completed.

- 18.4 Any member may, not later than fourteen days after the date of the Offer Notice, serve on the Company notice in writing requesting that the fair value of the Offered Shares be fixed by an independent chartered accountant (who may be the auditor or auditors of the Company) mutually chosen by the Vendor and the member or failing agreement as to such choice nominated on the application of either party by the President for the time being of the Institute of Chartered Accountants of Scotland. Such accountant (hereinafter called "the Valuer") shall be deemed to act as an expert and not as an arbiter and his determination of the fair value shall be final and binding for all purposes hereof. The Valuer shall certify his opinion of the fair value of the Offered Shares in writing signed by him and for this purpose the fair value shall be determined on the assumption that there will be an arms length sale between a willing buyer and a willing seller, taking place on the date of the Offer Notice and on the basis of the Company being viewed as a going concern, by valuing the whole equity share capital of the Company and dividing the result by the number of equity shares in issue so that there is no premium for a majority shareholding and no discount for a minority shareholding (such price being hereinafter called the "Fair Value"). The Valuer's costs shall be borne equally between the Vendor and the member in question. On receipt of the Valuer's certificate the Company shall by notice in writing inform all members (including the Vendor) of the fair value of the Offered Shares and of the price per share (being the lower of the price or value specified in the Transfer Notice and the fair value of each share) at which the Offered Shares are offered for sale. For this purpose the fair value of each of the Offered Shares shall be the fair value of the Offered Shares certified as aforesaid divided by the number of the Offered Shares.
- 18.5 If Purchasing Member(s) shall be found for all or any of the Offered Shares within the relevant period specified in Article 18.2 above, the Company shall not later than thirty days after the expiry of such period give notice in writing (hereinafter called a "Sale Notice") to the Vendor specifying the Purchasing Member(s) and the Vendor shall be bound upon payment of the price due in respect of such number of the Offered Shares in respect of which Purchasing Member(s) have been found to transfer the same to the Purchasing Member(s).
- 18.6 If the Vendor shall fail to sign and deliver a valid transfer of any of the Offered Shares which he has become bound to sell pursuant to the foregoing provisions the secretary of the Company or if the secretary of the Company shall be the Vendor, any director of the Company other than the Vendor, shall be deemed to have been appointed agent of the Vendor with full power to complete, execute and deliver, in the name and on behalf of the Vendor, transfers of the shares to be sold by him pursuant to these provisions, and to receive payment of the price on his behalf, and to give a valid receipt and discharge therefor.
- The directors shall register any transfer granted in pursuance of these powers notwithstanding that the share certificate or certificates for the Offered Shares may not be produced with such transfer or transfers and after the Purchasing Member(s) has/have been registered in exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 18.7 If no Sale Notice shall be given by the Company to the Vendor within the time limit specified in Article 18.5 above, or if purchasers are not found for all the Offered Shares, the Vendor shall be entitled, for a period of thirty days after the expiry of such time limit, to transfer the balance of the Offered Shares in respect of which purchasers are not found to the proposed

transferee specified in the Transfer Notice but in the case of a sale, at not less than the lower of the price stated in the Transfer Notice and the fair value if this has been fixed by the Valuer, and the directors shall register such transfer(s).

- 18.8 Save for any transfer permitted by and made in accordance with Article 18, any purported transfer of shares by any member not preceded by a Transfer Notice given in accordance with the foregoing provisions, shall be of no effect unless the other members shall have validly waived their rights in writing, and no such purported transfer shall be registered by the directors.
- 18.9 In the event that any Shares which are comprised in a class of Ordinary Shares are transferred to the holder of Shares comprised in a different class of Ordinary Shares then the Shares so transferred shall automatically and immediately upon their transfer be re-classified as Shares of the class of Ordinary Shares already held by the transferee.
- 18.10 In the event that any Management Shareholder shall become a Leaver then a Transfer Notice shall be deemed to have been served forthwith upon that member becoming a Leaver in respect of:
- 18.10.1 such number of A Ordinary Shares as detailed below held by that Leaver and/or as held by that Leavers Privileged Relations or by trustees of a Family Trust for such Leaver (other than shares which the directors are reasonably satisfied were not acquired by such holders either (a) directly or indirectly from the Leaver or (b) by reason of their connection with the Leaver):

<b>Shareholder</b>	<b>Number of A Shares to be transferred on the Shareholder becoming a Leaver</b>
The Trustees of The Galloway Family Trust	4,720
Richard Berry	3,210
Malcolm MacDonald	3,208

- 18.11 A Transfer Notice deemed given pursuant to Article 19.1.1, shall constitute the Company as the agent of the member(s) for the sale of relevant Ordinary Shares and the provisions of Article 18 shall apply to that Transfer Notice as though it had been given voluntarily and the price per share at which the relevant Shares shall be offered shall be the fair value of the relevant Shares as determined by the Valuer in accordance with the provisions of article 18.4.
- 18.12 Notwithstanding any other Article, no sale or transfer of any shares (“the Specified Shares”) to any person not being a member of the Company immediately following Completion which would result, if made and registered, in that person (taken together with any persons acting in concert with that person) obtaining in excess of 50 per cent of the total voting rights which may from time to time be cast at a general meeting of the Company, shall be made or registered unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and before the transfer is lodged for registration,



the proposed transferee or his or its nominees makes an offer (stipulated to be open for acceptance for at least 42 days) to all members (other than the transferee if then a member) to purchase all the other shares at the Specified Price (as defined below). A member who fails to accept any such offer within the period stipulated for acceptance shall be deemed to have rejected it.

In this Article 20.1 and in Article 20.2, the expression “the Specified Price” shall be the value of the consideration offered by the proposed transferee or transferees or his, its or their nominees for the Specified Shares to the holder(s) thereof (and/or any member of the same group (as defined below) of the holder(s) thereof) together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder(s) of the Specified Shares or any member of the same group of the said holder(s) which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the consideration for the Specified Shares including, without limitation, any increase in salary, any bonus or termination payment. The expression “member of the same group in this context means a company which is for the time being a holding company of which the transferor company is a subsidiary or a subsidiary of the transferor company or of any holding company of which the transferor company is a subsidiary.

- 18.13 Notwithstanding any other Article, where any person or persons (an “Offeror”) makes a Qualifying Offer (as hereinafter defined), the Majority Members (as hereinafter defined) may by notice in writing to the other members of the Company (the ‘Minority Members’) require the Minority Members to forthwith accept such Qualifying Offer following the expiry of the period for its acceptance. In the event that any Minority Member fails to accept such Qualifying Offer as required by the Majority Members, or having accepted such Qualifying Offer fails to execute and deliver any of the documents required to effect any transfer of shares pursuant thereto, such Minority Member shall be deemed to have appointed the directors to be his or its agents and attorneys for the purposes of accepting such Qualifying Offer and) or as the case may be executing and delivering any such documents.

For the purposes of this Article

“Majority Members”	means those members who have accepted the Qualifying Offer and who together holding in excess of 75 per cent of the total voting rights inn the Company;
“Qualifying Offer”	means an offer which: <ul style="list-style-type: none"> <li>(i) is made on identical terms to all members so that all of the Ordinary Shares in issue will be acquired at the Specified Price; and</li> <li>(ii) is open for acceptance for at least 42 days.</li> </ul>

## **NOTICE OF GENERAL MEETINGS**

- 19 Regulation 38 of Table shall not apply to the Company.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 20 Regulations 40 and 41 of Table A shall not apply to the Company.
- 21 No business shall be transacted at any general meeting unless a quorum is present. Save as otherwise herein prescribed, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 22 If, and for so long as, the Company has only one member, that member present in person or by proxy, or, if that member is a corporation, by a duly authorised representative, shall be a quorum.
- 23 If a quorum is not present within half an hour from the time appointed for a general meeting, the meeting, if commenced on the requisition of members, shall be dissolved. In any other case the 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. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor, the member or members present, whether in person or by proxy or, in the case of a corporation, by its duly authorised representative, shall be a quorum.
- 24 If, and for so long as, the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, then, subject to compliance with sections 168, 489, 511 and 515 of the Companies Act 2006 (if applicable), that decision shall be as valid and effective as if agreed by the Company in general meeting.
- 25 In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary (if one has been appointed by the Board) thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 of Table A shall be extended accordingly and shall apply mutatis mutandis to resolutions in writing of any class of members.
- 26 No resolution not previously approved by the directors shall be moved by any member other than a director at a general meeting unless a copy of the resolution with the name and address of the member intending to move the same has been deposited at the registered office of the Company at least three clear days prior to such meeting.
- 27 In Regulation 59 of Table A the word “not” shall be inserted before the word “appoint”.
- 28 An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof) must either be delivered at

such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or taking of the poll. The instrument may be in the form of a facsimile or other machine made copy and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 of Table A shall not apply to the Company.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS AND APPOINTMENT OF NOMINATED DIRECTOR AND SE OBSERVER**

- 28.1 Notwithstanding any limitation on number imposed by these articles from time to time, whenever CRT holds any C Ordinary Shares in the capital of the Company, CRT shall be entitled, by notice in writing, to nominate and appoint, one person as a director of the Company and the following provisions shall have effect:
- 28.1.1 any such appointment shall be made by notice in writing to the Company by CRT and CRT may in like manner at any time and from time to time remove from office any director appointed by it pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office;
  - 28.1.2 the provisions of Article 34 shall not apply to any directors appointed pursuant to this Article;
  - 28.1.3 the remuneration and expenses to be paid to any director appointed pursuant to this Article 31.1 shall be such sum as may be agreed between the director and the Company.
- 28.2 Notwithstanding any limitation on number imposed by these articles from time to time, whenever Mr Oag holds any B Ordinary Shares in the capital of the Company, Mr Oag shall be entitled, by notice in writing, to nominate and appoint, one person as a director of the Company and the following provisions shall have effect:
- 28.2.1 any such appointment shall be made by notice in writing to the Company by Mr Oag and Mr Oag may in like manner at any time and from time to time remove from office any director appointed by it pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office;

- 28.2.2 the provisions of Article 34 shall not apply to any directors appointed pursuant to this Article;
- 28.2.3 the remuneration and expenses to be paid to any director appointed pursuant to this Article 31.2 shall be such sum as may be agreed between the director and the Company.
- 28.3 Notwithstanding any limitation on number imposed by these articles from time to time, whenever Scottish Enterprise holds any B Ordinary Shares in the capital of the Company, Scottish Enterprise shall be entitled, by notice in writing, to nominate and appoint, one person as a director of the Company and the following provisions shall have effect:
- 28.3.1 any such appointment shall be made by notice in writing to the Company by Scottish Enterprise and Scottish Enterprise may in like manner at any time and from time to time remove from office any director appointed by it pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office;
- 28.3.2 the provisions of Article 34 shall not apply to any directors appointed pursuant to this Article;
- 28.3.3 the remuneration and expenses to be paid to any director appointed pursuant to this Article 31.3 shall be such sum as may be agreed between the director and the Company.
- 28.4 Whenever any Investor holds any B Ordinary Shares in the capital of the Company, that Investor shall be entitled, by notice in writing, to nominate and appoint one person to attend board meetings of the Company as an observer. Such person shall be entitled to receive notice of all meetings of the board, to attend such meetings and speak at them but shall not be entitled to vote at any such meetings.
- 29 The directors shall not be less than two in number In any case where, as a result of the death of a sole member of the Company, the Company has no members and no directors the personal representatives of such deceased members shall have the right by notice in writing to appoint a person to be a director of the Company and such appointment shall be as effective as if made by the Company in general meeting.
- 30 The directors shall not be required to retire by rotation. Regulations 73 to 75 inclusive and the second and last sentences of Regulation 79 of Table A shall not apply to the Company, and other references in Table A to retirement of directors by rotation shall be disregarded.
- 31 In addition to the circumstances in which the office of a director is vacated under Regulation 81 of Table A, the office shall be vacated if a director is removed from office by notice given to him by all the other directors.

- 32 A director shall not be required to hold shares of the Company in order to qualify for office as a director but he shall be entitled to receive notice of and attend and speak at all general meetings of the Company or of any class of members of the Company.

### **BORROWING POWERS**

- 33 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage, charge or standard security over the undertaking, property and uncalled capital of the Company or any part thereof and, where relevant, subject to section 551 of the Act, to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party, and similarly to give any guarantee or indemnity in respect of any obligation of a third party which the Company is empowered to give.

### **ALTERNATE DIRECTORS**

- 34 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid and to be indemnified to the same extent mutatis mutandis as if he were a director. He shall not be entitled as such 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 in writing to the Company from time to time direct. An alternate director appointed by an Investor Director shall not require to be a director or person approved by the resolution of the directors and regulation 65 of Table A shall be modified accordingly.
- 35 An alternate director shall be entitled to receive notices of meetings of the directors and of any committee of the directors of which his appointor is a member and shall be entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting, the provisions of these Articles shall apply as if he were a director. If he shall be himself a director or shall attend any such meeting as an alternate for more than one director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. An alternate director shall not (save as aforesaid) have power to act as a director, nor shall he be deemed to be a director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor. Regulations 66 and 69 of Table A shall not apply to the Company.
- 36 The appointment of an alternate director who is himself a director shall determine if he ceases to be a director. In any other case, the appointment of an alternative director shall determine on the happening of any event which, if he were a director, would cause him to vacate office as a director (other than non-attendance at meetings of the directors at which his appointor is present).

## **POWERS OF DIRECTORS**

- 37 The directors on behalf of the Company may establish, maintain, participate in and contribute to, or procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including directors, former directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company (as defined in section 1159 of the Companies Act 2006) or otherwise associated with the Company or of the predecessors of the Company in business or of any such other company as aforesaid, or for the benefit of the relations, wives, widows, families, connections or dependants of any such persons or for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and their relations, connections or dependants, and the directors on behalf of the Company may grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments of any kind to any of such persons as aforesaid; and the directors on behalf of the Company may establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds or trusts for the benefit of any of such persons as aforesaid or otherwise for the advancement of the interests and well-being of the Company or of any such other company as aforesaid or its members; and the directors on behalf of the Company may make payments for or towards the insurance of any of such persons as aforesaid. Any such director or ex-director may participate in and retain for his own benefit any such donation, gratuity, pension, allowance, payment or other benefit conferred under or pursuant to this Article.
- 38 The directors may establish and contribute to any employees' share scheme (within the meaning of section 1166 of the Companies Act 2006) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and may lend money to the Company's employees to enable them to purchase or subscribe for shares of the same; and may establish and maintain any option or incentive scheme whereby selected employees (including salaried directors and officers) of the Company are given the opportunity of acquiring shares in the capital of the Company; and may formulate and carry into effect any scheme for sharing the profits of the Company with its employees (including salaried directors and officers) or any of them. Any director may participate in and retain for his own benefit any such shares, profit or other benefit conferred under or pursuant to this Article.

## **PROCEEDINGS OF DIRECTORS**

### **Conflicts of Interest**

- 39 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

40 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:

43.1 may vote, at any meeting of the directors or of any committee of the directors, on any resolution, and if he shall vote on any such resolution as aforesaid his vote shall be counted;

43.2 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;

43.3 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;

43.4 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;

43.5 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

43.6 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.

44. Subject to section 182 of the Act:

44.1 a general notice given 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; and

44.2 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.

44.3 The Board may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary

or terminate such authorisations) authorise, to the fullest extent permitted by law:.

- 44.4 any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including conflict of interest and duty or conflict of duties); and
- 44.5 a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

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

- 45 If a matter, or office, employment or position, has been authorised by the board in accordance with Article 44 then:

- 45.1 the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- 45.2 the director may absent himself from meetings of the Board at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- 45.3 the director may make such arrangement as such director thinks fit for Board and committee papers to be received and read by a professional adviser on behalf of that director.

- 46 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to Article 44 (subject always in any such case to any limits or conditions to which such approval was subject).

- 47 Articles 44 and 45 are without prejudice to the operation of Article 43.

## **Resolutions**



48. A resolution in writing signed or confirmed electronically by all the Directors for the time being entitled to receive notice of a Board meeting and to vote on the resolution and not being less than a quorum (or by all the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and to vote on the resolution and not being less than a quorum of that committee), shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee, as the case may be). Such a resolution may consist of several documents or electronic communications in the same form *each signed or authenticated by one or more of the Directors or members of the relevant committee.*
49. Without prejudice to the first sentence of regulation 88 of Table A, a meeting of the directors, or of a committee of the directors, may consist of a conference between directors who are not all in one place, but of whom each is able to speak to each of the others and to be heard by each of the others simultaneously. Alternatively, such a meeting may take place by a telephone call or series of telephone calls or similar means of communication, including video conferencing, from the chairman of the Board or of the relevant committee to all other directors or to all other members of the relevant committee (as the case may be). A director taking part in such a conference or telephone call or other similar communication shall be deemed to be present in person at a meeting (whether or not two or more persons shall have been present in one place) and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group or if the meeting takes place by a telephone call or series of telephone calls or similar means of communication from the chairman of the director or of the relevant committee, where the chairman of the directors or of the relevant committee then is. The word “meeting when referring to a meeting of the directors, or of a committee of the directors, in these Articles shall be construed accordingly.
50. Directors who are absent from the United Kingdom shall be entitled to the same notice of all meetings of the directors as directors not so absent and the third sentence of regulation 88 shall not apply. If a director who is absent from the United Kingdom does not advise the Company in writing of his overseas address, notice to his usual address in the United Kingdom shall be deemed sufficient notice for the purposes of this Article.
51. The quorum for the transaction of the business of directors shall be two of which at least one must be an Investor Director (or his alternate) during such times as there shall be an Investor Director holding office. Regulation 89 of Table A shall be modified accordingly.

## **52 Records of Decisions**

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.

## **NOTICES**

**53 Means of communication to be used**

53.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

53.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

53.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

53.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

53.1.4 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.

53.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

**INDEMNITY**

54 Regulation 118 of Table A shall not apply to the Company.

55 *Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against and/or exempted by the Company from all costs, charges, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under section 661 (3) or (4) or section 1157 of the Companies Act 2006 in which relief is granted to him by the court, and no director or other officer shall be liable for any loss, damage or misfortune which shall happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto*

provided that this Article 55 shall only have effect insofar as its provisions are not avoided by section 532 of the Companies Act 2006.

- 56 Without prejudice to Article 54, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of any Relevant Company (as defined in Article 56) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including but not limited to insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 57 For the purposes of Article 56 "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest, whether direct or indirect, or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.
- 58 No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted hereunder or as to whether any *requisite consent of such member or members has been obtained 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.
- 59 To the extent of any inconsistency, Article 56 shall have overriding effects as against all other provisions of these Articles.