

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES of ASSOCIATION

of

STORM IDEAS LIMITED (SC344051)

1.A INTERPRETATION

1.A.1 In these Articles, unless the context otherwise requires:

"Act" means the Companies Act 2006 (including any statutory modification or re-enactment thereof for the time being in force);

"Articles" mean the articles of association for the time being of the Company;

"Bad Leaver" means a person being a holder of 'E' Shares who has ceased to be connected to the Company by virtue of employment and/or the holding of office of director in circumstances where he is not a Good Leaver;

"Connected" has the meaning given in section 1122 of the Corporation Tax Act 2010;

"EMI Plan" means the Storm Ideas Limited EMI Share Option Plan;

"'E' Ordinary shares" means the 'E' Non Voting Ordinary shares of £0.0001 each in the capital of the Company from time to time;

"Good Leaver" means a member being a holder of 'E' Shares who ceases to be an employee or director of the Company for any of the following reasons:

- (a) the member leaving the employment of the Company for reasons of ill-health or disability as certified to the reasonable satisfaction of the Principal Directors by an independent doctor;
- (b) the dismissal of the member for reasons of redundancy;
- (c) the retirement of the member at his normal retirement age as may be agreed between the Principal Directors and the member;
- (d) the death of the member;
- (e) in circumstances where the member has been dismissed from employment and where the dismissal has been found by any court or employment tribunal to have been either wrongful or unfair; or
- (f) the resignation of the member by mutual agreement between the member and the Principal Directors;

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

"Ordinary shares" means the Ordinary shares of £0.0001 each in the capital of the Company from time to time;

"Person" includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);

"Person of unsound mind" means a person who is, or may be suffering from mental disorder and either:

- (a) he is admitted to hospital in pursuance of an application for admission for treatment under any statutory enactment relating to mental health; or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, guardian or other person to exercise powers with respect to his property or affairs;

"Principal Directors" means the directors appointed by the holders of the Ordinary shares in terms of Article 15.1 and pursuant to any Relevant Agreement;

"Relevant Agreement" means the shareholder or other agreement relating to the management and/or affairs of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any of the provisions of the Articles;

"Share(s)" means a share or shares in the capital of the Company of whatever class;

- 1.A.2 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.A.3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.A.4 Articles 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and (3), 26(5), 44(2)(c) and (d), 49 and 52 of the Model Articles shall not apply to the Company.
- 1.A.5 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.A.6 Reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.A.7 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.A.8 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.A.9 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary (if applicable)" before the words "properly incur".
- 1.A.10 Article 24(2)(c) of the Model Articles shall be amended by the deletion of the word "that" and the insertion in its place of the words "whether or not".

- 1.A.11 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.A.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words", subject to Article 16," after the word "But".
- 1.A.13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

1.B CONSTITUTION

- 1.B.1 The Company is a private company within the meaning of section 4(1) of the Act.
- 1.B.2 The Company's name is "Storm Ideas Limited".
- 1.B.3 The Company's registered office is to be situated in Scotland.
- 1.B.4 The objects of the Company are unrestricted.

2 SHARE CAPITAL

- 2.1 For the purposes of these Articles the Ordinary shares and the 'E' Ordinary shares shall constitute separate classes of shares and except as specially provided for herein shall rank *pari passu* in all respects.
- 2.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 2.3 Unless otherwise agreed by special resolution, if the Company proposes to allot any shares (other than 'E' Ordinary shares), such shares shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of Ordinary shares held by them immediately prior to such offer. Such offer shall be made by notice in writing specifying the number of shares offered and limiting the time (not being less than 21 days) within which the offer may be accepted. Acceptances shall be given to the Company by notice in writing and in such acceptance any member may state if he wishes to purchase any shares in addition to the proportion offered to him. After the expiry of such offer or after the Company shall have received notice of the acceptance or refusal of such offer from every member (whichever shall be the earlier event) the directors shall allot the shares offered to the members accepting the offer in accordance with such acceptances, provided that in the event of competition for any shares which may not have been accepted by any member the directors shall allot the same to the members applying for additional shares as nearly as may be (but without increasing the number allotted to any member beyond the number of additional shares he may have indicated that he is willing to purchase) in proportion to such member's existing holding of shares.
- 2.4 Subject to the provisions of the Act and without prejudice to Article 2.5, any shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder of such shares on such terms and in such manner as may be provided by the Articles or as the Company may determine by special resolution. Article 22(2) of the Model Articles shall not apply.
- 2.5 Notwithstanding the provisions of Article 2.3 but provided that all of the members of the Company holding Ordinary shares provide their written consent in advance such unissued shares may be allotted and issued to any person (whether or not that person is a member of the Company) at such price as all of the members of the Company holding Ordinary shares may agree in writing.

- 2.6 The provisions of Article 4 shall apply to any renunciation of the allotment of any share as they would apply to any transfer of that share.

3 LIEN

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any person for all moneys presently payable by him or his estate to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

4 TRANSFER OF 'E' ORDINARY SHARES

- 4.1 Except as hereinafter provided no 'E' Ordinary share in the Company or any interest therein shall be transferred or otherwise disposed of unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.

- 4.2 If at any time a member or any other person entitled to be registered in respect of an 'E' Ordinary share or shares of the Company ("the Proposed Transferor") shall desire to transfer or otherwise dispose of any such share or shares registered in his name or any interest therein he shall give notice ("a Transfer Notice") to the directors specifying the number of such shares that he desires to sell or transfer. Except as hereinafter provided a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of all the members. A Transfer Notice shall constitute the directors the agent of the Proposed Transferor to sell the shares specified in the Transfer Notice ("the Offered Shares") at the fair value ("the Transfer Price") fixed under Article 4.3 and in accordance with the following provisions:

- (a) Upon the Transfer Price being finally determined as provided in Article 4.3, the directors shall forthwith by notice in writing notify the Proposed Transferor of the Transfer Price. Within seven days of such notification the Proposed Transferor shall be entitled to serve notice on the directors withdrawing the Transfer Notice. If no such notice of withdrawal shall be given, forthwith upon the expiry of such seven day period the Offered Shares shall be offered for purchase at the Transfer Price by the directors to the members (other than the Proposed Transferor) in proportion to the number of shares then held by them respectively. Every such offer shall be made in writing and shall specify (a) the total number of Offered Shares; (b) the number of Offered Shares offered to the member; (c) a period (being not less than 7 days) within which the offer must be accepted or shall lapse ("the Acceptance Period"); and (d) the Transfer Price. If upon the expiry of the Acceptance Period and/or any subsequent period for acceptance following the repetition of an invitation as aftermentioned in this Article 4.2(a) there are any Offered Shares which have not been accepted by a member, the invitation shall be repeated on like terms *mutatis mutandis* by the directors until the earlier of all the members indicating they do not wish to acquire any further shares or all of the shares the subject of a Transfer Notice having been accepted by a member (whichever occurs first being the "Final Event").
- (b) The directors shall within seven days of the Final Event, notify the Proposed Transferor of the number of Offered Shares (if any) for which they have found a purchaser or purchasers pursuant to Article 4.2(a) and if the directors have found such a purchaser or purchasers in respect of some only of the Offered Shares the Proposed Transferor shall be entitled to withdraw the Transfer Notice (in whole but not in part) within five days of the twenty eighth day following the date of the Final Event.
- (c) During the six months following the expiry of the period of seven days referred to in Article 4.2(b) the Proposed Transferor (whether or not the Transfer Notice has been withdrawn under Article 4.2(b)) shall, provided he has obtained the prior written

consent of the Principal Directors, be at liberty to transfer to any person or persons at any price not being less than the Transfer Price any such 'E' Ordinary share the subject of the Transfer Notice (other than any share which has been accepted by a member under Article 4.2(a) and the Transfer Notice has not been withdrawn under Article 4.2(b)).

- (d) If the said members shall within the Acceptance Period and/or any subsequent period for acceptance following repetition of the invitation under Article 4.2(a) apply for all or (except where the Transfer Notice is withdrawn as aforesaid) any of the Offered Shares the directors shall allocate the Offered Shares (or so many of them as shall be applied for as aforesaid) to and amongst the applicants (and in case of competition, pro rata, as nearly as possible, according to the number of shares of the Company of which they are registered or unconditionally entitled to be registered as holders) provided that no applicant shall be obliged to take more than the maximum number of Offered Shares specified by him as aforesaid.
- (e) The directors shall forthwith give notice in writing of allocations of Offered Shares pursuant to Article 4.2(d) ("an Allocation Notice") to the Proposed Transferor and to the persons to whom Offered Shares have been allocated and (provided that the aggregate number of shares so allocated coincides with the number of shares notified to the Proposed Transferor pursuant to Article 4.2(b)) the Proposed Transferor shall thereupon be bound to transfer the relevant number of shares allocated upon payment of the Transfer Price. An Allocation Notice shall state the names and addresses of the purchasers and the number of shares agreed to be purchased by them respectively and the purchases shall be completed at such place and such time as shall be specified by the directors in such notice being not less than 14 days nor more than 2 years after the date of such notice.
- (f) If in any case the Proposed Transferor on having become bound as aforesaid makes default in accepting payment of the Transfer Price of any Offered Share or as the case may be in transferring the same, the directors may receive such purchase money and may nominate one of their number to execute an instrument of transfer of such share in the name and as attorney of the Proposed Transferor and thereafter when such instrument has been duly stamped the directors shall cause the name of the purchaser to be entered in the register of members as the holder of such share and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt of the directors for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be capable of challenge by any person.

4.3 Subject to Article 4.5, the Transfer Price of any 'E' Ordinary shares to be transferred pursuant to the provisions of Article 4.2 shall be such sum as may be agreed between the Proposed Transferor and the Principal Directors within 7 days of the service upon the Principal Directors of a Transfer Notice in which such shares are comprised or in default of such agreement such sum as a chartered accountant appointed in the manner described below shall certify in writing to be in his opinion the fair value thereof on the basis of:

- (a) a sale as between a willing vendor and a willing purchaser of the entire issued share capital of the Company in the open market and disregarding the fact that the said shares constitute a minority holding (or any other particular proportion) of shares in the Company;
- (b) the said shares are sold free of all encumbrances;
- (c) that the transfer of shares is unrestricted by these Articles; and
- (d) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so ("the Fair Value").

Such chartered accountant shall be appointed by agreement between the Proposed Transferor and the Principal Directors within 7 days following the expiry of the period of 7 days referred to above, or failing agreement, shall be appointed on the application of the Proposed Transferor or the Principal Directors by the president for the time being of the Institute of Chartered Accountants in Scotland. In so certifying, such chartered accountant shall be deemed to be acting as an expert and not as an arbitrator and all statutory references to arbitration shall not apply. His certificate shall be final and binding. The Principal Directors shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company.

4.4 A Transfer Notice shall be deemed to have been served pursuant to Article 4.2 in respect of a member's entire holding of 'E' Ordinary shares immediately on the occurrence of any of the following events:

- (a) the death of such member; or
- (b) such member becoming a person of unsound mind; or
- (c) such member becoming apparently insolvent, reaching an agreement with his creditors in respect of his debts or having a trustee in bankruptcy appointed to his estate; or
- (d) a member who is an employee or director of the Company ceasing to be an employee and/or director.

And the procedure to be adopted in relation to the service of a Transfer Notice shall apply to a deemed notice given pursuant to this Article 4.4 (other than the right to withdraw the Transfer Notice pursuant to Articles 4.2(a) or (b)).

4.5 In the case of a Transfer Notice being deemed to have been served under and in terms of Article 4.4 by a member who is the holder of 'E' Ordinary shares, the Transfer Price in respect of the Offered Shares shall be:

- (i) in the case of a Bad Leaver, the lesser of (a) the Fair Value (as referred to at Article 4.3) and (b) the original subscription price of such shares; and
- (ii) in the case of a Good Leaver, the Fair Value.

4.6 A member may waive his right to receive a notice from the Company under Article 4.2 in respect of a proposed transfer and upon so doing shall cease to have any right of pre-emption in respect of the shares concerned under this Article 4 and if all the entitled members waive their rights to such notice, the provisions of Article 4.1 shall not apply and the directors of the Company shall (subject to Article 6) be bound to register a transfer of the shares concerned.

4.7 If purchasing members cannot be found for all of the 'E' Ordinary shares registered in the name of the Proposed Transferor as is referred to at Article 4.2 (whether pursuant to a Transfer Notice or a deemed transfer notice), the Company (subject to compliance with provisions of the Act) shall have the option to purchase such shares at the price determined in accordance with Articles 4.3 and 4.4 at any time during the period of twenty eight days from the expiry of the date of the Final Event referred to at Article 4.2(a), after which time the option shall lapse, and in the event of such option being exercised as aforesaid the Proposed Transferor shall become obliged to accept payment for the price of such shares and shall be obliged to execute such contract and other documents as are necessary to complete the purchase of such shares, and if in any case the Proposed Transferor on having become bound as aforesaid makes default in either accepting payment for such shares or in executing a contract or other documents, the directors may receive the purchase money and may nominate one of their number to execute a contract or any other documents in the name and as attorney of the Proposed Transferor, and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor.

- 4.8 The preceding provisions of this Article 4 shall not apply in relation to any transfer of the Ordinary shares by the holders thereof which shall be governed (a) by Article 5 (in the case of permitted transfers) and (b) by the provisions of any Relevant Agreement (in the case of other transfers by the holders of Ordinary shares).

5 PERMITTED TRANSFERS OF ORDINARY SHARES

- 5.1 Subject to Article 8, the directors shall register the transfer of an Ordinary share, or the transfer of an interest in an Ordinary share in the following circumstances:

- (i) a transfer by a member to another member who holds Ordinary shares;
- (ii) a transfer by a member or the personal representatives of a deceased member to a relative of the member or to the trustees of a settlement created by the member or a relative of the member for the benefit of all or any of the member and his relatives; for this purpose, the relatives of a member are the member's children or remoter issue, spouse, brother, sister, parent or remoter forbear or their spouses;
- (iii) a transfer by the personal representatives of a deceased member to a person to whom the shares in question have been specifically bequeathed;
- (iv) a transfer for the purpose only of effecting the appointment of new trustees;
- (v) a transfer by an individual member to a company controlled by the member; for this purpose, a company is controlled by an individual if the individual, together with the individual's relatives within the meaning of Article 5.1 (ii), owns shares conferring more than 50 per cent of the voting rights conferred by all the issued shares of that company;
- (vi) a transfer as a consequence of the bankruptcy of a member;
- (vii) a transfer by a member which is a company to a subsidiary or holding company of that member, or by a holding company to its subsidiary and vice versa; or
- (viii) a transfer imposed by law, other than as a consequence of the direct operation of these Articles.

- 5.2 If, following a transfer made under Article 5.1(iv), (v) or (vii) above, the relationship between the transferor and the transferee changes to one not within those provisions, the transferee shall as soon as possible transfer the shares either to the transferor or to a person to whom the transferor could have transferred the shares under those provisions. The directors may require that the transferee provide them with such information as they from time to time reasonably require to satisfy themselves that the transferee continues to have the same relationship with the transferor.

6 DRAG ALONG RIGHTS

- 6.1 In the event of a genuine offer from a bona fide, arm's length third party person or persons (who in each case (a) was or were not a member or members of the Company or (b) was or were not Connected with any other member or members of the Company on the date these Articles are adopted) to purchase all of the Ordinary shares being accepted by the holders of all the Ordinary shares, such holders (the "Selling Shareholders") shall have the option ("Drag Along Option") to require all of the other members holding shares of whatever class to transfer all of their shares to the third party purchaser at the specified price. The other member(s) hereby appoint the Principal Directors as their attorney to execute and deliver on their behalf stock transfers in respect of their shares and to receive the sale proceeds in respect thereof on their behalf.

- 6.2 For the purpose of this Article, '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 the Ordinary shares plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the selling members 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 the specified shares (including without limitation any increase in salary, any bonus or termination payment) and in the event of disagreement the calculation of the specified price shall be referred to the Company's accountants (acting as an expert and not as arbitrator).

7 TAG ALONG RIGHTS

- 7.1 No sale or transfer for valuable consideration of the Ordinary shares to either (a) a person or persons who was or were not a member or members of the Company or (b) who was or were not Connected with any other member or members of the Company and which would result in such person or persons acquiring Ordinary shares which in aggregate amount to more than 50% of the total number of Ordinary shares shall be made or registered unless, before the transfers are lodged for registration the proposed transferors have provided written notice (the "Notice") to the other members of the Company of the proposed sale. The Notice shall be given to the other members at least ten business days prior to the proposed date of sale and shall set out the identity of the proposed buyer, the proposed purchase price and other terms and conditions of payment, the proposed date of sale and number of Ordinary shares proposed to be sold.
- 7.2 Any other member of the Company shall be entitled, by written notice given to the proposed transferors within five business days of receipt of the Notice, to be permitted to sell all of their shares of whatever class in the Company to the proposed transferee on the terms and conditions set out in the Notice.
- 7.3 If any member of the Company is not given the rights accorded to him by the provisions of this Article, the proposed transferors shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.
- 7.4 All other Articles of the Company relating to the transfer of shares shall be read subject to the provisions of Articles 6 and 7.

8 REFUSAL OF TRANSFERS

- 8.1 The directors shall refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by the provisions of Article 4, 5, 6 or 7 or pursuant to any Relevant Agreement, and save as provided in Articles 8.2, 8.3 and 8.4 the directors shall register any transfer so made or permitted.
- 8.2 The directors shall refuse to register the transfer of a share on which the Company has a lien.
- 8.3 The directors shall refuse to register a transfer unless:
- (a) it has been presented to HM Revenue & Customs for stamping (unless it is exempt for stamp duty and the appropriate declarations have been made); and
 - (b) it is lodged with the secretary of the Company and is accompanied by the certificate (or an appropriate letter of indemnity) for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.
- 8.4 No share shall be transferred to any bankrupt or person of unsound mind.

9 VARIATION OF RIGHTS

Whenever the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class.

10 NOTICE OF GENERAL MEETINGS

10.1 The provisions of all notices convening general meetings shall comply in all respects with statute and without prejudice to the foregoing generality section 325(1) of the Act.

10.2 Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

11 PROCEEDINGS AT GENERAL MEETINGS AND VOTING

11.1 The holder or holders of the 'E' Ordinary shares shall not be entitled to attend any general meeting or to vote on any resolution whether at a general meeting or by way of any written resolution, and the provisions of these Articles shall be construed accordingly except that the holders of the E Ordinary shares shall be entitled to attend any general meeting and to vote on any resolution whether at general meeting or by way of any written resolution in the following circumstances:

11.1.1 if there are no other voting shares in issue in the Company; and/ or

11.1.2 if the specific resolution to be voted on relates to the purchase of all of the Ordinary shares.

11.2 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. One member (being the holder of Ordinary shares or, in the case that there are no Ordinary shares in issue, being the holder of E Ordinary shares), present in person or by proxy shall be a quorum.

11.3 If, within half an hour (or such longer time not exceeding one hour as the chairman of the meeting decides) from the time appointed for the meeting, a quorum is not present the meeting, if convened on the requisition of members, shall be adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the chairman or, failing him, the directors determine.

11.4 Article 41(4) of the Model Articles shall not apply.

11.5 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor, and shall be in any usual form or in a form approved by the directors. The appointment shall be valid for an adjournment of the meeting and the instrument shall be deemed to confer authority to vote on amendments to resolutions put to the meeting for which the authority is given or at an adjournment, unless in each case the instrument or proxy states otherwise. Where it is desired to afford members an opportunity to instruct the proxy how he shall act, the instrument appointing a proxy shall be in any form which enables the members to direct how their votes are to be exercised on each of the resolutions comprised in the business of the meeting for which it is to be used.

11.6 Article 45 of the Model Articles shall not apply.

11.7

(a) A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

- (b) Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

12 NUMBER OF DIRECTORS

The minimum number of directors shall be one (who must be a natural person), and unless otherwise determined by an ordinary resolution, there shall be no maximum number.

13 ALTERNATE PROXY DIRECTORS

- 13.1 Any director (other than an alternate director) may appoint any other director, and willing to act, to be an alternate proxy director and may remove from office an alternate proxy director so appointed by him.
- 13.2 An alternate proxy director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointer is a member, and to attend, speak and vote at any such meeting at which the director appointing him is not personally present. A director present at such meeting and appointed alternate proxy director for any other directors entitled to attend and vote at such meeting shall have an additional vote for each of his appointors absent from the meeting.
- 13.3 An alternate proxy director shall cease to be an alternate proxy director if his appointor ceases to be a director.

14 POWERS OF DIRECTORS

The directors may sanction the exercise by the Company of all the powers of the Company to make provision for the benefit of persons (including directors) employed or formerly employed by the Company in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company as are contained in section 247 of the Act and, subject to such sanction, the directors may exercise all such powers of the Company.

15 APPOINTMENT AND RETIREMENT OF DIRECTORS

- 15.1 For so long as Bob Thomson ("BT") is a holder of Ordinary shares, he shall be entitled by notice in writing to appoint one director (being either himself or some other person nominated by BT) and by notice in writing to remove such director.
- 15.2 A notice of appointment or removal of a director pursuant to this Article 15 shall take effect upon lodgement at the registered office of the Company.
- 15.3 A director appointed pursuant to this Article 15 shall hold office until he is either removed in the manner provided by this Article or dies or vacates office pursuant to Article 16.
- 15.4 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 15.5 The Company may by ordinary resolution, or the directors may appoint as a director either to fill a vacancy or as an additional director, any person who is willing to act.

16 DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 16.1 The office of director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is a person of unsound mind; or
- (d) he resigns his office by notice to the Company; or
- (e) he is removed from office under section 168 of the Act.

16.2 Article 18 of the Model Articles shall not apply.

17 DIRECTORS' CONFLICTS OF INTERESTS

17.1 The directors may, in accordance with the requirements set out in this Article 17, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest.

17.2 Any authorisation under this Article 17 will only be effective if:

- (a) the matter giving rise to or relating to the conflict of interest shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
- (c) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

17.3 Any authorisation of a matter under this Article may (whether at the time of giving the authority or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; or
- (c) be terminated or varied by the directors at any time.

Provided however that will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

17.4 In authorising a matter giving rise to or relating to a conflict of interest the directors may decide (whether at the time of giving the authority or subsequently) that if a director has obtained any information through his involvement in such matter otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:

- (a) disclose such information to the directors or to any director or other officer or employee of the Company; or
- (b) use or apply any such information in performing his duties as a director;

where to do so would amount to a breach of that confidence.

- 17.5 Where the directors authorise a matter giving rise to or relating to a conflict of interest they may provide (whether at the time of giving the authority or subsequently) that the director:
- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to such matter;
 - (b) is not given any documents or other information relating to such matter; or
 - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to such matter.
- 17.6 Where the directors authorise a matter giving rise to or relating to a conflict of interest:
- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to such matter; or
 - (b) the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 17.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving any matter giving rise to or relating to a conflict of interest which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 18 DIRECTORS' DECLARATION OF INTERESTS**
- 18.1 A director who is in any way, whether directly or indirectly, interested in a proposed contract or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with section 177 of the Act.
- 18.2 A director who is in any way, whether directly or indirectly, interested in a contract or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 18.1.
- 18.3 Subject, where applicable to the disclosures required under Article 18.1 and 18.2 and to any terms and conditions imposed by the directors in accordance with Article 17, a director shall be entitled to vote in respect of any proposed or existing contract or arrangement with the Company in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum of any meeting of the directors is present.
- 18.4 A director need not declare an interest under Article 18.1 and 18.2 as the case may be:
- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (b) of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware;
 - (c) if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware; or

- (d) if, or to the extent that, it concerns the terms of any service contract to which the director is a party that have been, or are to be, considered at a meeting of the directors.

19 DIRECTORS' GRATUITIES AND PENSIONS

The Principal Directors shall have power to pay or provide and agree to pay or provide pensions or other retirement, superannuation, death or disability benefits to or to any person in respect of, any director or former director who may hold or have held any executive office or any office of profit under the Company or any subsidiary or holding company of the Company or another subsidiary of any such holding company and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums (whether before or after such director ceases to hold office or employment). A Principal Director may vote at a meeting of directors in respect of any matter referred to in this Article, notwithstanding that he is personally interested in such matter and shall be counted in the quorum present at the meeting.

20 PROCEEDINGS OF DIRECTORS

- 20.1 A director who is or is intending to be absent from the United Kingdom may request the secretary to give him notice of meetings at an address provided by him for that purpose. Notices of meetings of the directors shall be sent to him at that address but, if he does not provide an address, it shall not be necessary to give notice of meetings to him while he is absent from the United Kingdom. The notice calling a meeting of the directors need not be in writing.
- 20.2 Any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 20.3 The quorum for the transaction of the business of the directors shall be two directors which must comprise the Principal Directors.
- 20.4 In the event that any duly convened meeting of the directors or of any committee of the directors the meeting is not so quorate or if during the meeting such a quorum ceased to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and at such adjourned meeting the quorum shall be any two directors.
- 20.5 The chairman of any meeting of the directors or of any committee of the directors shall not be entitled to a second or casting vote.
- 20.6 A meeting of the directors may, subject to notice thereof having been given in accordance with the Articles, be for all purposes deemed to be held when a director is or directors are in communication by telephone or audio visual communications media with another director or other directors and all of these directors agree to treat the meeting as properly convened, provided always that the number of directors participating in this way constitutes a quorum. A resolution passed by a majority of the directors pursuant to this Article shall be as valid as it would have been if made by them at a meeting where a quorum of directors was present in person.
- 20.7 A resolution in writing signed or approved by letter or facsimile by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in like form each signed by one or more directors. If an alternate director has been appointed, a resolution is competently signed if signed either by the appointing director or the alternate director.

21 DIVIDENDS

- 21.1 Subject to the provisions of the Act, the Principal Directors are the only directors empowered to declare and pay dividends at intervals and at times selected by them in respect of any shares and of varying amounts in respect of such shares provided that it appears to the directors that the payment of dividends is justified by the profits of the Company that are available for distribution.
- 21.2 The Principal Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same in either case subject to Article 4. Article 27 (3) of the Model Articles shall be modified accordingly.
- 21.3 The payment by the directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend unclaimed after a period of five years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.
- 21.4 Article 33(3) of the Model Articles shall not apply.

22 NOTICES

- 22.1 Any notice given by or on behalf of any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing. Any notice given by or on behalf of any person to the Company may be given by leaving the same at or by sending the same by post to the registered office of the Company or such other place as the directors may appoint.
- 22.2 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) 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);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) 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.

- 22.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

23 INDEMNITY

23.1 Subject to Article 23.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 23(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

23.3 In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)).

24 OVERRIDING PROVISIONS

24.1 Notwithstanding the provisions of these Articles, the directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.

24.2 Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

25 INSURANCE

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

25.2 In this Article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act));
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation

to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

26 SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.