

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

**McKERRON & MILNE (ROOFING AND SLATING
CONTRACTORS) LIMITED**

(Adopted by special resolution passed by way of written resolution on

23 March 2022 and as amended by special resolution by way of

written resolution on 20 March 2024)

INTRODUCTION

1. INTERPRETATION

- 1.1 The following definitions and rules of interpretation apply in these Articles except where the context otherwise requires:

Act: the Companies Act 2006;

Accountants: the auditors, whom failing, accountants for the time being of the Company;

acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);

Adoption Date: the date of adoption of these Articles;

Articles: the Company's articles of association for the time being in force;

Available Profits: profits available for distribution within the meaning of part 23 of the Act;

A Ordinary Shares: the A ordinary shares of £1 each in the capital of the Company;

B Ordinary Shares: the B ordinary shares of £1 each in the capital of the Company;

C Ordinary Shares: the C ordinary shares of £1 each in the capital of the Company;

D Ordinary Shares: the D ordinary shares of £1 each in the capital of the Company;

Bad Leaver: an Employee who becomes a Departing Employee in circumstances where he is not a Good Leaver; **Business Day:** any day (other than a Saturday, Sunday or public holiday in Scotland) on which clearing banks in Scotland are generally open for business;

Chairman: has the meaning given to it in *article 4.9*;

Company: means McKerron & Milne (Roofing and Slating Contractors) Limited (Company number SC 574013);

Company's Lien: has the meaning given to it in *article 22*;

connected: has the meaning given in section 252 of the Act;

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

Departing Employee: an Employee who ceases to be an employee of the Company, (or as the case may be McKerron & Milne Limited (no SC 165246) with secondment to the Company) or ceases to be a Director of the Company;

Directors: the directors of the Company from time to time, or where there is only one that Director;

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets;

Eligible Director: means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);

Employee: an individual who is, or has been, an employee of the Company (or as the case may be McKerron & Milne Limited (no SC 165246) with secondment to the Company) or a Director (but being a director holding at the Adoption Date C Ordinary Shares or D Ordinary Shares) of the Company;

Equity Shares: the Ordinary Shares of £1 each in the capital of the Company;

Exit: a Share Sale, or a Disposal

Exit Price: in respect of Equity Shares the Fair Value thereof;

Fair Value: has the meaning given in *article 16*;

Financial Year: an accounting reference period (as defined in section 391 of the Act) of the Company;

Good Leaver: an Employee who becomes a Departing Employee by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity or through ill-health;
- (c) retirement at or after the 65th anniversary of his birth;

(d) dismissal which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive or unfair;

(e) redundancy within the meaning of section 139 (1) of the Employment Rights Act 1996;

(f) resignation by the Employee after the second anniversary of the Adoption Date and where the Directors are of the opinion on reasonable grounds that the Employee is not leaving to join (or in any way provide services to) a person or entity who the Directors determine in their absolute discretion is (or would be reasonably likely to become) a competitor with the business of the Company.

Independent Expert: an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 5 Business Days of the expiry of the 5 Business Day period referred to in *article 16.1*, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of Scotland (in each case acting as an expert and not as an arbiter);

Lien Enforcement Notice: means a notice in writing which complies with the requirements of *article 23.2*;

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date;

Offer Shareholders: in relation to C or D Ordinary Shares, the holders of A and B Ordinary Shares; in relation to A Ordinary Shares, the holders of B Ordinary Shares; in relation to B Ordinary Shares, the holders of A Ordinary Shares; and in any other case the holders of the same class of Shares in the capital of the Company as the Seller;

Relevant Shares: in relation to an Employee means all Shares held by the Employee in question; and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;

Restricted Shares: has the meaning given in *article 14.6*;

Sale Proceeds: means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale);

Sale Shares: has the meaning given in *article 15.2*;

Second Offer Shareholders: the holders of all classes of Shares in the capital of the Company other than that class of Shares held by the Seller;

Seller: has the meaning given in *article 15.2*;

Shareholder: a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury;

Shares: shares (of any relevant class) in the capital of the Company and **Share** shall be construed accordingly;

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale;

Termination Date: (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

(c) where an Employee dies, the date of his death;

(d) in any other case, the date on which the employment or holding of office is terminated;

Transfer Notice: has the meaning given in *article 15.2*;

Transfer Price: has the meaning given in *article 16.1*;

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).

1.6 A reference in these Articles to:

- (a) an **Article** is a reference to the relevant numbered article of these Articles;
and
- (b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made under that statute or statutory provision.

1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. ADOPTION OF THE MODEL ARTICLES

2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.2 Model articles 7(1), 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.

2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

2.5 Model article 29 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".

PRIVATE COMPANY

- 2.6 The Company is a private company. No offer or invitation will be made to the public (whether for cash or otherwise) to subscribe for shares in or debentures of the Company and the Company shall not allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of them being offered for sale to the public.

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the maximum number of Directors shall not exceed four, and in any event shall not be less than one.

4. PROCEEDINGS OF DIRECTORS

- 4.1 Save where there is only one Director in office, any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4.2* (subject to *article 4.3* and *article 4.4*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with *article 4.2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with *article 4.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4.6* and *article 4.7*.
- 4.5 Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 3 Business Days' advance notice of each such meeting shall be given to each Director.
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors (one of whom so long as he/she shall be a Director and holder of A Ordinary Shares or B Ordinary Shares shall be Brian John Yeats or Karen Jane Yeats) save where there is only one Director in office.

If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine.

- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to *article 7* to authorise a Conflict (as defined in *article 7.1*), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.8 If the number of Directors in office for the time being is less than one, the Equity Shareholders may call a general meeting so as to enable the appointment of a further Director or Directors.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote unless, in respect of a particular meeting (or part of a meeting), in accordance with the Articles, the Chairman (or other chairman of the meeting) is not an Eligible Director for the purposes of that meeting (or part of a meeting).
- 4.10 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.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.
- 5.2 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
 - (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
 - (b) he shall cease to be employed by the Company.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) 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 existing or proposed transaction or arrangement in which he is interested;
- (d) 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;
- (e) 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
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

7. DIRECTORS' CONFLICTS

7.1 The Directors may, in accordance with the requirements set out in this *article 7*, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this *article 7* will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 7.3 Any authorisation of a Conflict under this *article 7* may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 7.7 Where the Company has only one Director and therefore the foregoing provisions are incapable of being applied, any matter or situation involving a Conflict shall be subject to approval of a special resolution of the members.

8. 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.

9. DIVIDENDS

- 9.1 The Available Profits which the Company may determine to distribute in respect of any financial year shall be distributed as to 41.25% to the holders of A Equity Shares pro rata to the number of such Equity Shares held; 18.75% to the holders of B Equity Shares pro rata to the number of such Equity Shares held; 26% to the holders of C Equity Shares pro rata to the number of such Equity Shares held, and 14% to the holders of D Ordinary Shares pro rata to the number of such Equity Shares held.
- 9.2 Subject to the Act, the Directors may pay interim dividends on the same basis as set out in *article 9.1* provided that the Available Profits of the Company justify the payment.
- 9.3 Each dividend shall be distributed to the relevant Shareholders of the relevant class or classes pro rata according to the number of Shares held by them respectively. All dividends are expressed net and shall be paid in cash.

10. LIQUIDATION PREFERENCE

On a return of assets on liquidation, capital reduction or otherwise (except Company purchase of own shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority: first, in paying to the holders of the Equity Shares the sum of £1 per Share, thereafter, in distributing the balance as to 41.25% to the holders of A Equity Shares pro rata to the number of such Equity Shares held; 18.75% to the holders of B Equity Shares pro rata to the number of such Equity Shares held; 26% to the holders of C Equity Shares pro rata to the number of such Equity Shares held, and 14% to the holders of D Ordinary Shares pro rata to the number of such Equity Shares held.

11. EXIT PROVISIONS

- 11.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in *article 10*. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale: the Directors

may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in *article 10*.

- 11.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in *article 10*.

12. VARIATION OF CLASS RIGHTS

- 12.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares).

- 12.2 Without prejudice to the generality of *article 12.1*, the special rights attaching to each class of Shares in the capital of the Company shall be deemed to be varied by the occurrence of any of the following events:

- (a) the sub-division, consolidation, re-classification or a change in any of the rights attached to any of the issued share capital of the Company,
- (b) the redenomination of any of the issued share capital of the Company, and
- (c) the creation of a new class of Shares which has preferential rights to one or more existing classes of Shares.

- 12.3 The A, B, C and D Ordinary Shares in issue shall be deemed to be separate classes of shares save where the context otherwise requires hereunder.

13. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 13.1 Save to the extent authorised by these Articles the Directors shall not, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

- 13.2 Subject to the remaining provisions of this *article 13* the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; and
- (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

13.3 The authority referred to in *article 13.2*:

- (a) shall be limited to a maximum nominal amount of £ 50 of Shares;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement within that period which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

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.

13.4 No Shares shall be allotted to any current or prospective employee or director of the Company unless such person shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

14. TRANSFERS OF SHARES: GENERAL

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

14.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

14.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

14.4 Any transfer of a Share by way of sale which is required to be made under *article 15*, *article 17* or *article 18* shall be deemed to include a warranty that the transferor sells the Share free from all liens charges and encumbrances.

- 14.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require: any holder (or the legal representatives of a deceased holder); or any person named as a transferee in a transfer lodged for registration; or such other person as the Directors may reasonably believe to have information relevant to that purpose, to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 14.6 If any such information or evidence referred to in *article 14.5* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then:
- (a) the relevant Shares shall cease to confer on the holder of them any rights:
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - (ii) to receive dividends or other distributions otherwise attaching to those Shares; or
 - (iii) to participate in any future issue of Shares issued in respect of those Shares; and
 - (iv) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in *article 14.6(a)* at any time and, in any event, such rights shall be reinstated, to the extent applicable, in respect of any Shares transferred pursuant to these Articles on completion of such transfer.

- 14.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:
- (a) it does not contain a Minimum Transfer Condition (as defined in article 15.2(d); and
 - (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

- 14.8 Any Transfer Notice (but not a Drag Along Notice (as defined in *article 18*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 15.1 Except where the provisions of *article 18* apply, any transfer of Shares by a Shareholder (except also where within a reasonable timetable set by the Directors there is an agreement for and the provisions of the Act have been complied with for a Company purchase of own shares out of distributable profits) shall be subject to the pre-emption rights in this *article 15*.
- 15.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
- (a) subject to *article 14.7(b)*, the number of Shares he wishes to transfer (**Sale Shares**);
 - (b) the name of the proposed transferee, if any;
 - (c) subject to *article 17.3*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
 - (d) subject to *article 14.7(a)*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 15.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Exit Price and such Exit Price is less than the Proposed Sale Price the Seller may, within 5 Business Days of receipt of notification of the Exit Price, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with the consent of the Directors.
- 15.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 15.5 As soon as practicable following the later of:
- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
 - (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 15.3*) offer the Sale Shares for sale in the manner set out in the remaining

provisions of this *article 15* at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

- 15.6 The Directors shall offer the Sale Shares to the Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

- 15.7 If:

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class(es) being offered to held by all Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with *article 15.7(a)*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants *mutatis mutandis* in accordance with the procedure set out in *article 15.7(a)*.

If not all Sale Shares are allocated pursuant to the foregoing provisions, or there are no Offer Shareholders at the relevant time then the Sale Shares, or as the case may be the balance of the Sale Shares, shall be offered to the Second Offer Shareholders in accordance with the foregoing process and the provisions of *articles 15.6* and *15.7* shall *mutatis mutandis* apply (the **Second Offer Period**) and so that if the number of Sale Shares applied for is equal to or exceeds the available number of Sale Shares the Directors shall allocate the Sale Shares to each Second Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by all Second Offer Shareholders (other than the Seller).

- 15.8 At the end of the Second Offer Period, the Company may, subject to the Act, purchase any Sale Shares remaining (**Surplus Shares**) within the following period of 30 Business Days (the **Third Offer Period**).
- 15.9 If at the end of the Third Offer Period, any Surplus Shares have not been bought in by the Company owing to insufficiency of distributable profits, or want of consent from Shareholders, then the Seller may, within four weeks after the end

of such period transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price. The right of the Seller to transfer Shares under this *article 15.9* does not apply if the Directors are of the opinion on reasonable grounds that the transferee is a person (or a nominee for a person) who the Directors determine in their absolute discretion is a competitor with the business of the Company or the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee.

15.10 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made pursuant to the foregoing provisions shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for pursuant to the foregoing provisions is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

15.11 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under the foregoing provisions, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

15.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

15.13 If the Seller fails to comply with *article 15.12*:

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
 - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 15.14 Any Shares purchased pursuant to the foregoing provisions by a holder of any other class of Shares in the capital of the Company shall on completion of the sale automatically convert into shares of the same class as those held by the purchaser.

16. VALUATION

- 16.1 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 5 Business Days of the date of service of the Transfer Notice, the Exit Price of each Sale Share as at the date of service of the Transfer Notice (or Deemed Transfer Notice).
- 16.2 Where the Exit Price is the Fair Value, that shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) that the Sale Shares are capable of being transferred without restriction;
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 16.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert, or as the case may be Accountants, shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 16.4 The Directors will give the Independent Expert, or the Accountants, access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 16.5 The parties are entitled to make submissions to the Independent Expert, or Accountants, including oral submissions and shall provide (or procure that others provide) the Independent Expert or Accountants with such assistance and documents as the Independent Expert or Accountants may reasonably require for the purpose of reaching a decision.
- 16.6 The Independent Expert, or Accountants, shall act as expert and not as arbiter and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16.7 The Independent Expert, or Accountants shall be requested to determine the Exit Price, within 15 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 16.8 The cost of obtaining the Independent Expert's or Accountant's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert or Accountant directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with *article 15.3*; or
 - (b) in respect of a Deemed Transfer Notice,

in which case the Seller shall bear the cost.

17. COMPULSORY TRANSFERS

- 17.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure) or transmittee on death shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine.
- 17.2 If an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 5 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all

Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.

17.3 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:

- (a) a Bad Leaver in circumstances where the Directors are of the opinion on reasonable grounds that the Departing Employee is leaving to join (or in any way provide services to) a person or entity who the Directors determine in their absolute discretion is (or would be reasonably likely to become) a competitor with the business of the Company be the sum of £1 per Share;
- (b) a Bad Leaver in circumstances where the Directors are not of the foregoing opinion, be the Exit Price per Share less a discount of 50%;
- (c) a Good Leaver, be the Exit Price per Share.

17.4 Forthwith upon a Transfer Notice being deemed to be served under *article 17* the Relevant Shares **OR** the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares issued in respect of those Shares.

The Directors may reinstate the rights referred to in this *article* at any time and, in any event, such rights shall be reinstated on completion of a transfer of such Shares.

18. **DRAG ALONG**

18.1 Notwithstanding the provisions of *article 15*, if the holders of 50 % by nominal value of the Equity Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in such Equity Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares, and all holders of each class of Shares (if any not being Equity Shares) on the date of the request, including the Company in respect of any Shares held in treasury, if any (**Called Shareholders**) to sell and transfer all their interest in such Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 18*.

- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this *article 18*;
 - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - (c) the consideration payable for the Called Shares calculated in accordance with *article 18.4*;
 - (d) the proposed date of completion of transfer of the Called Shares.
- 18.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of *article 11.1*.
- 18.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article 18*.
- 18.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
 - (b) that date is less than 5 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 5 Business Days after the date of service of the Drag Along Notice.
- 18.7 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the

Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article 18.4* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article 18.4* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article 18.4* for the Called Shareholders without any obligation to pay interest.

- 18.8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to *article 18.4*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this *article 18* in respect of their Shares.
- 18.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *article 18*.
- 18.10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of *article 15*.
- 18.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

19. GENERAL MEETINGS

- 19.1 No business other than, subject to *article 19.2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on. The quorum for any general meeting shall be two members holding Equity

Shares (one of whom so long as he/she shall be a shareholder in the Company and a Director shall be either Brian John Yeats or Karen Jane Yeats) save where there is only one member holding Equity Shares.

- 19.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

20. VOTING

- 20.1 Subject to any other provisions in these Articles concerning voting rights, each holder of Equity Shares in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company. The holders of each other class or classes of Shares in the Company (not being Equity Shares) shall not carry the right to vote, receive notice of or attend at general meetings (except in the circumstances referred to in *article 12*).
- 20.2 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.
- 20.3 Model article 44(3) 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 model article.
- 20.4 Model article 45(1) shall be amended by:
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

21. PURCHASE OF OWN SHARES

- 21.1 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) with cash up to any amount in a financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the value of 5% of the Company's share capital.

21.2 Subject to the remaining provisions of this *article 21*, on a purchase or redemption of Shares under Part 18 of the Act, the Company may:

- (a) hold the Shares (or any of them) in treasury;
- (b) deal with any of the Shares, at any time, in accordance with section 727; or
- (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

22. COMPANY'S LIEN OVER SHARES

22.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

22.2 The Company's Lien over a share:

- (a) takes priority over any third party's interest in that Share; and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

22.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

23. ENFORCEMENT OF THE COMPANY'S LIEN

23.1 Subject to the provisions of this *article 23*, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

23.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;
- (b) must specify the Share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

23.3 Where Shares are sold under this *article 23*:

- (a) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

23.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

23.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

24. MEANS OF COMMUNICATION TO BE USED

- 24.1 Subject to *article 24.3*, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - (b) if sent by fax, at the time of transmission; or
 - (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - (d) if sent or supplied by e-mail, five hours after the notice, document or information was sent or supplied; or
 - (e) 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; and
 - (f) if deemed receipt under the previous paragraphs of this *article 24.1* would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 24.2 To prove service, it is sufficient to prove that:
- (a) if delivered by hand the notice was delivered to the correct address; or
 - (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - (c) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 24.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax), or by means of a website.
- 24.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

25. INDEMNITY AND INSURANCE

25.1 Subject to *article 25.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (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 thereto;

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 other Group 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 25.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

25.2 This *article 25* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

25.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

25.4 In this *article 25*:

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company; and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.