



A06 06/05/2017 #343
COMPANIES HOUSE

Company Number: 06543734

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION OF

QUOLUX LIMITED (the "Company")

CIRCULATION DATE: 31st March, 2017

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the director of the Company hereby proposes that the following resolutions be passed (the "Resolutions"):

ORDINARY RESOLUTION

1. **THAT** the 80 A1 Ordinary shares of £1.00 each in the capital of the Company registered in the name of Stewart Barnes be subdivided into 400 A1 ordinary shares of £0.20 each; the 20 A2 Ordinary shares of £1.00 each in the capital of the Company registered in the name of Pauline Barnes be subdivided into 100 A2 ordinary shares of £0.20 each; and the 21 B Ordinary shares of £1.00 each in the capital of the Company registered in the name of Rachael Ramos be subdivided into 105 B Ordinary Shares of £0.20 each.

SPECIAL RESOLUTION

2. **THAT** the new articles of association attached to these Resolutions and marked "A" be adopted in substitution for and to the exclusion of the Company's existing articles of association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being the persons entitled to vote on the Resolutions on the circulation date stated above, hereby irrevocably agree to the Resolutions:


.....

Stewart Barnes

31/3/17
.....

Dated

P.A. Barnes
Pauline Barnes

31/3/17
Dated

RAD Ramos
Rachael Ramos

31/3/17
Dated

NOTES

1. If you agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By hand:** delivering the signed copy to the company secretary at the registered office of the Company.
- **By post:** returning the signed copy by post to the company secretary at the registered office of the Company

If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.

3. Unless, prior to 28 days from the date of the Resolutions, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.



QUOLUX LIMITED

ARTICLES OF ASSOCIATION

Adopted on 31/3/ 2017

harrison clark
rickerbys

S O L I C I T O R S

BUSINESS SERVICES DEPARTMENT

Ellenborough House, Wellington Street, Cheltenham, GL50 1YD

Telephone: (Cheltenham) 01242 224 422

Company No. 06543734

COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
QUOLUX LIMITED
("the Company")

(adopted by Written Resolution of the Company passed on ~~Friday~~ 31st MARCH, 2017)

1. DEFINITIONS AND INTERPRETATION

- 1.1 In these Articles the following words and expressions will have the following meanings:

"Accounts" means the audited consolidated accounts of the Company;

"A1 Share" means an A1 ordinary share of £0.20 in the capital of the Company;

"A1 Shareholder" means a registered holder of any A1 Shares;

"A1 Shareholder Director" means a director appointed by an A1 Shareholder in accordance with the provisions of article 15.1;

"A2 Share" means an A2 ordinary share of £0.20 in the capital of the Company;

"A2 Shareholder" means a registered holder of any A2 Shares;

"Board" means the incumbent board of Directors, properly constituted in accordance with these Articles;

"B Share" means a B share of £0.20 in the capital of the Company;

"B Shareholder" means a registered holder of any B Shares;

"Business Day" means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;

"Commencement Date" means the date on which these Articles are adopted;

"Companies Act" means the Companies Act 2006;

"C Share" means a C Ordinary share of £0.20 in the capital of the Company;

"C Shareholder" means a registered holder of any C Shares

"Directors" means the Company's incumbent directors from time to time and
"Director" means any one of them;

"Equity Shares" means the issued A1 Shares, A2 Shares, B Shares and C Shares at any time, and all shares derived from them (and any of them) whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise in issue;

"Liquidation" means the passing of a resolution for the winding-up of the Company;

"Member" means a registered holder of any Share as recorded in the Company's register of members;

"Model Articles" means 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 Commencement Date;

"Share" means a share in the capital of the Company of whatever class;

- 1.2 Words and phrases which are defined in any provision of these Articles other than Article 1.1 shall bear that defined meaning wherever they appear in these Articles unless a contrary intention appears.
- 1.3 Words and phrases which are defined or referred to in or for the purposes of the Companies Act (excluding any statutory modification of that meaning not in force when these Articles become binding on the Company) or the Model Articles have the same meanings in these Articles unless a contrary intention appears.
- 1.4 If there is any conflict or inconsistency between any provision of the Model Articles and any provision of these Articles the latter shall prevail.
- 1.5 In these Articles, unless a contrary intention appears:
 - 1.5.1 words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;
 - 1.5.2 reference to a statute or a statutory provision includes reference to:
 - 1.5.2.1 the statute or statutory provision as modified or re-enacted or both from time to time; and
 - 1.5.2.2 any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);
 - 1.5.3 reference to a Regulation is to a regulation of the Model Articles, and reference to an Article is to a provision of these Articles; and
 - 1.5.4 reference to "written" or "in writing" includes any method of representing or reproducing words in a legible form.

1.6 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.

1.7 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

2. ADOPTION OF THE MODEL ARTICLES ETC

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 The Company is a private company and no shares or debentures of the Company may be offered to the public.

3. SHARE CAPITAL

3.1 The issued share capital of the Company at the Commencement Date is:

3.1.1 400 A1 Shares;

3.1.2 100 A2 Shares; and

3.1.3 105 B Shares;

3.2 Subject to the other provisions of these Articles and the Companies Act and without prejudice to the rights attached to any existing Shares, any Share may be issued with or have attached to it such rights or restrictions as the Company may by special resolution determine.

3.3 In accordance with and subject to the other provisions of these Articles and the Companies Act, the Company may:

3.3.1 subject to any rights conferred on the holders of any other Shares issue Shares that are to be redeemed or are liable to be redeemed at the option of the Company or holder;

3.3.2 subject to any rights conferred on the holders of any class of Shares purchase its own Shares (including any redeemable Shares);

3.3.3 make a payment in respect of the redemption or purchase of any of its own Shares as authorised by these Articles otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

4. SHARE RIGHTS

The rights and restrictions attaching to the A1 Shares, the A2 Shares, the B Shares and the C Shares are set out in full in these Articles. The rights and restrictions which attach to any other class of Shares to be issued (including the terms, conditions and manner of redemption of any redeemable shares) will be determined by special resolution. Regulation 22 shall be modified accordingly.

5. SHARE RIGHTS - INCOME

Dividends - general

- 5.1 Subject to the provisions of the Companies Act and to article 5.2 below, the Company may by ordinary resolution declare a dividend which may be declared and paid in respect of one class of Shares or more to the exclusion of the other classes or class of Shares.
- 5.2 Where a dividend is declared in respect of more than one class of Share, the Company may by ordinary resolution differentiate between the classes as to the amount or percentage of dividend payable, but in default the Shares of each class shall be deemed to rank *pari passu* in all respects as if they constituted one class of Shares.
- 5.3 Any dividend will be paid in cash on the nominal value paid up or credited as paid up on of the Shares (unless in relation to any Share, less than the nominal value of the Share has been paid in which case the amount to be paid will be on the amount paid up on the Share) in respect of which it is payable and will belong to and be paid to the holders of the relevant class of Shares *pro rata* according to their holdings of such class.
- 5.4 If at any time it is not possible to determine the amount of any dividend or payment by reference to any Accounts, such amount will be determined by reference to the latest available management accounts.

6. SHARE RIGHTS - RETURN OF CAPITAL

- 6.1 On a return of capital of the Company on a Liquidation of the Company or otherwise (other than a redemption of Shares or the purchase by the Company of its own Shares), the surplus assets and retained profits of the Company after payment of all liabilities will be applied:
 - 6.1.1 first in payment of an amount equal to the value of the share capital reserves of the Company as of 30 April 2017 (as derived from the Company's statutory accounts to such date) to the holders of the A1 Shares, the A2 Shares and the B shares in proportion to their holdings; and
 - 6.1.2 second in distributing the balance to each holder of Shares in proportion to the amount that the paid up nominal Share capital represented by his Shares bears to the aggregate paid up nominal share capital of the Company.
- 6.2 Any return on a particular class of Shares will be made amongst their holders *pro rata* as nearly as possible to their respective holdings of Shares of that class.

7. SHARE RIGHTS - VOTING

- 7.1 At a general meeting of the Company, the holders of the A1 Shares, the A2 Shares the B Shares and the C Shares shall, on a show of hands, each have one vote.
- 7.2 At a general meeting of the Company, on a poll:

- 7.2.1 in the event no C Shares are in issue, the A1 Shareholders shall have 0.773 votes per A1 Share, the A2 Shareholders shall have 1.92 votes per A2 Share and the B Shareholders shall have 1 vote per B Share;
- 7.2.2 in the event any C Shares are in issue, the A1 Shareholders shall have 0.822 votes per A1 Share, the A2 Shareholders shall have 1.713 votes per A2 Share, the B Shareholders shall have 1 vote per B Share and the C Shareholders shall have 1 votes per C Share.
- 7.3 Upon any written resolution being proposed to shareholders:
 - 7.3.1 In the event no C Shares are in issue, the A1 Shareholders shall have 0.773 votes per A1 Share, the A2 Shareholders shall have 1.92 votes per A2 Share and the B Shareholders shall have 1 vote per B Share ;
 - 7.3.2 in the event any C Shares are in issue, the A1 Shareholders shall have 0.822 votes per A1 Share, the A2 Shareholders shall have 1.713 votes per A2 Share, the B Shareholders shall have 1 vote per B Share and the C Shareholders shall have 1 votes per C Share.

8. ISSUE AND ALLOTMENT OF NEW SHARES

- 8.1 Save to the extent expressly authorised from time to time by a special resolution, the Board shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 8.2 In accordance with section 567(1) of the Companies Act, sections 561 and 562 of the Companies Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Companies Act) made by the Company.
- 8.3 Subject to Article 8.5, and unless the Company by special resolution directs otherwise, any new Shares will be offered by the Board for subscription to the holders of the Equity Shares in such proportions as equal (as nearly as possible) the proportion of Equity Shares held by them respectively at that time. For the purpose of this Article, the Equity Shares will be treated as one class of Share.
- 8.4 The offer will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the Shares so offered, the Board will offer the declined Shares in the same proportions to the holders of Equity Shares who have accepted all the Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Board, be limited to a period of seven days after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.
- 8.5 Any Shares not taken up at the end of the procedure set out in Articles 8.3 and 8.4 may be offered by the Board to a third party, and, subject to these Articles, such Shares will be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:

- 8.5.1 no Shares will be issued at a discount;
 - 8.5.2 no Shares will be issued more than three months after the end of the period for acceptance of the last offer of such Shares under Articles 8.3 and 8.4 unless the procedure set out in those Articles is repeated in respect of such Shares; and
 - 8.5.3 no Shares will be issued on terms which are more favourable than those on which they were offered to the Members.
- 8.6 If, due to any inequality between the number of new Shares to be issued and the number of Shares held by Members entitled to have the offer of new Shares made to them, any difficulty arises in the apportionment of any such new Shares amongst the Members, such difficulties will be determined by the Board.
- 8.7 Regulation 21(1) shall not apply to the Company.

9. TRANSFERS OF SHARES

Prohibited Transfers

- 9.1 The Directors will not register any transfer of Shares unless previously agreed to in writing by Stewart Barnes.
- 9.2 Regulation 26(5) will not apply to the Company.

Automatic Conversion

- 9.3 Upon receipt of an exercise notice from Joanna Harrison pursuant to the EMI options granted to her by the A1 Shareholders and the A2 Shareholders in respect of certain numbers of A1 Shares and A2 Shares, such shares as are the subject of the received exercise notice shall be automatically converted into and re-designated as C Shares (having the rights and being subject to the restrictions in respect of such shares contained in the Articles of Association of the Company from time to time).

10. LIEN

- 10.1 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.
- 10.2 The provisions of regulations 52(2) and (3), 55, 56(2), 57(2), (3) and (4), 59, 60(1), (2) and (3) (but not regulation 60(3)(e)), 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) (as in force at the Commencement Date) shall apply to the Company as if set out in full in these Articles.

Enforcement of the Company's Lien

- 10.3 Subject to the other provisions of this Article 10, if:

- 10.3.1 a notice which complies with Article 10.4 ("**Lien Enforcement Notice**") has been given in respect of a Share; and
- 10.3.2 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.
- 10.4 A Lien Enforcement Notice:
- 10.4.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- 10.4.2 must specify the Share concerned;
- 10.4.3 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);
- 10.4.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and
- 10.4.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 10.5 Where Shares are sold under this Article 10:
- 10.5.1 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
- 10.5.2 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.
- 10.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 10.6.1 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
- 10.6.2 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 Board 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.
- 10.7 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's Lien on a specified date:
- 10.7.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

10.7.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

11. PROCEEDINGS AT GENERAL MEETINGS

- 11.1 The quorum for any general meeting (other than a separate class meeting) is two qualifying persons (as that term is defined in section 318(3) of the Companies Act) provided that one such person is the representative of, or proxy of, the A1 Shareholder and section 318(2) of the Companies Act will apply subject to this Article.
- 11.2 If any meeting is adjourned pursuant to Regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present will form a quorum. Regulation 41 is modified accordingly.
- 11.3 Regulation 44 is modified so that a poll may only be demanded by the chairman of the Board from time to time or by any Member present in person or by proxy and entitled to vote at the meeting.
- 11.4 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such a person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Members. The provisions of the Companies Act shall apply to determine the powers that may be exercised at any such meeting by any person so authorised. The corporation shall, for the purposes of these Articles, be deemed to be present in person at any such meeting if any person so authorised is present at it, and all references to attendance and voting in person shall be construed accordingly.
- 11.5 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the Board from time to time will not be entitled to a casting vote in addition to any other vote which he may have.
- 11.6 A form appointing a proxy shall be in writing, and shall be in the usual form or in such other form which the Directors may approve, unless the Board requires a particular form in which case the form appointing the proxy must be in such form.

12. NUMBER OF DIRECTORS

Unless and until otherwise determined by special resolution, the number of Directors (other than alternate directors) is not subject to any maximum and the minimum is one.

13. ALTERNATE DIRECTORS

- 13.1 Any Director may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director, subject to the consent of an A1 Shareholder Director. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor.
- 13.2 An alternate director has the same rights in relation to any decision of the Directors as the alternate's appointor.
- 13.3 Except as the Articles specify otherwise, alternate directors:

13.3.1 are deemed for all purposes to be Directors;

13.3.2 are liable for their own acts and omissions;

13.3.3 are subject to the same restrictions as their appointors; and

13.3.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.

13.4 A person who is an alternate director but not a Director:

13.4.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

13.4.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision but does not participate); and

13.4.3 shall not be counted as more than one Director for the purposes of articles 13.4.1 and 13.4.2.

13.5 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

13.6 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

13.7 An alternate director's appointment will terminate:

13.7.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

13.7.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;

13.7.3 when the alternate's appointor's appointment as a Director terminates;
or

13.7.4 if he resigns by written notice left at or sent to the registered office of the Company.

14. DELEGATION OF DIRECTOR'S POWERS

Regulation 5 is modified by the addition at the end of the Regulation of the following sentence: "Where a provision of these Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision must be construed as permitting the exercise of the power, authority or discretion by the committee."

15. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

15.1 For so long as the A1 Shareholder holds any Shares in the capital of the Company, he shall have the right to appoint himself, or such other person nominated by him as the A1 Shareholder Director, and to remove such A1 Shareholder Director and replace him with another person.

15.2 No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age.

15.3 The holder or holders of such number of Shares as give the right to a majority of votes at general meetings of the Company may, by giving notice to the Company, remove any Director from office and/or appoint any person to be a Director. The notice must be signed by or on behalf of such holder or holders (and may consist of several documents in similar form each signed by or on behalf of one or more holders) and must be left at or sent by post or fax to the registered office or such other place designated by the Directors for the purpose. Such removal or appointment will take effect when the notice is received by the Company or on such later date (if any) as may be specified in the notice. This Article 15.3 will not apply to the appointment or removal of an A1 Shareholder Director. This Article 15.3 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.

15.4 Regulation 17(1) shall not apply.

15.5 Regulation 18 is modified by the addition at the end of the Regulation of the following provisions:

- (g) being an executive Director he ceases, for whatever reason, to be employed by the Company;
- (h) he becomes, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- (i) he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- (j) (other than in the case of an A1 Shareholder Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-Directors;

- (k) (other than in the case of an A1 Shareholder Director) he is removed from office by notice given by a member or members under Article 15.3.

16. REMUNERATION

The Board may not provide benefits for any Director who has held but no longer holds any executive office within the Company and Regulation 19(3) is modified accordingly.

17. DIRECTORS' CONFLICTS OF INTERESTS

- 17.1 The Board 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 Companies Act to avoid conflicts of interest ("**Conflict**").

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

17.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of the Board 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;

17.2.2 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

17.2.3 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):

17.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

17.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine;

17.3.3 be terminated or varied by the Board at any time,

but the foregoing 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 Conflict the Board may decide (whether at the time of giving the authority or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director and in respect of which he owes a duty of confidentiality to another person the Director is under no obligation to:

17.4.1 disclose such information to the Board or to any Director or other officer or employee of the company;

17.4.2 use or apply any such information in performing his duties as a Director;

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

- 17.5 Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authority or subsequently) that the Director:
- 17.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - 17.5.2 is not given any documents or other information relating to the Conflict;
 - 17.5.3 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 the Conflict.
- 17.6 Where the Board authorises a Conflict:
- 17.6.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict;
 - 17.6.2 the Director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies 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 a Conflict 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 transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Companies Act.
- 18.2 A Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Companies 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 Article 18.2, a Director shall be entitled to vote in respect of any proposed or existing transaction 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 is present.
- 18.4 A Director need not declare an interest under Article 18.1 and Article 18.2 as the case may be:
- 18.4.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

18.4.2 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;

18.4.3 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

18.4.4 if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a Board meeting.

18.5 Regulation 14 will not apply to the Company.

19. BORROWING POWERS

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to section 549 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

20. PROCEEDINGS OF DIRECTORS

20.1 In the case of an equality of votes, the chairman from time to time of the Board will not have a second or casting vote. Regulation 13 shall not apply.

20.2 The quorum necessary for the transaction of business at any meeting of the Directors will be two, one of whom shall be Stewart Barnes. If any meeting of the Directors is inquorate then it will be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present will constitute a quorum.

20.3 For the purposes of Regulation 8, any unanimous decision of eligible Directors (as defined in Regulation 8(3)) must take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing and Regulation 8 is modified accordingly.

21. INDEMNITIES

21.1 Subject to the Companies Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, each Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs.

- 21.2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers which arises out of their respective duties to the Company, or in relation to its affairs.