

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**

**PSNE LIMITED (CRN: 09764592)**

**(Adopted by special resolution passed on .....2016)**

**IT IS AGREED THAT**

**1 INTERPRETATION**

1.1 In these Articles, the following words have the following meanings:

<b>"Act"</b>	the Companies Act 2006;
<b>"Auditors"</b>	the auditors or reporting accountants (as the case may be) of the Company from time to time;
<b>"Board"</b>	the Board of Directors of the Company from time to time;
<b>"Business Day"</b>	a weekday (other than a Saturday, Sunday or Bank Holiday) on which banks are open in London for the transaction of normal business;
<b>"Director"</b>	a director of the Company from time to time;
<b>"LPC"</b>	a Local Pharmaceutical Committee;
<b>"Member"</b>	the registered holder(s) from time to time of any Shares;
<b>"Model Articles"</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
<b>"Shares"</b>	the ordinary shares of £1.00 each in the capital of the Company;
<b>"Third Party Purchaser"</b>	a bona fide, arms length purchaser of shares.

- 1.2 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.

## **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 Regulations 7, and 11 to 14 (inclusive), 17, 26(5), 36, 38, 39, 43, 44(2) of the Model Articles shall not apply to the Company.
- 2.3 Regulation 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

## **3 VARIATION OF RIGHTS**

Whenever the capital of the Company is divided into different classes of shares then the special rights attached to any class of shares may not be varied or abrogated (whether or not the Company is being wound up) without the consent in writing of the holders of not less than 75% in nominal value of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of the relevant class. To any separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply.

## **4 ALLOTMENT OF SHARES**

- 4.1 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.
- 4.2 Subject to the remaining provisions of this **Article 4**, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- 4.2.1 offer or allot;
  - 4.2.2 grant rights to subscribe for or to convert any security into; and
  - 4.2.3 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 see fit.
- 4.3 The authority referred to in **Article 4.2**:
- 4.3.1 shall be limited to a maximum nominal amount of £1,000 of Shares;

- 4.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by special resolution; and
- 4.3.3 may only be exercised for a period of five years from the date of adoption of these Articles save that, subject to these Articles, the Directors may make an offer or agreement 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).
- 4.4 Any Shares of the Company shall, before they are issued, be offered to the Members in proportion as nearly as possible to the nominal value of the existing Shares in that class held by them before the issue. The offer shall be made by notice in writing specifying the number and class of shares to which the Member is entitled, the subscription price per share of such shares and limited to a time not less than 21 days within which the offer, if not accepted, shall be deemed to have been declined. A Member shall not be entitled to accept the offer for all or any of the Shares offered to him and shall be asked whether he is willing to accept an offer for any shares which are declined by the other Members and, if so, the maximum he would be willing to accept. After the expiration of that time or, if earlier, on receipt of an intimation from all the Members to whom the notice is given as to whether or not they accept the offer and whether they are willing to accept an offer for any shares which have not been accepted by other Members, the Directors shall allot all or any shares to such Members pro rata (if relevant) to their holdings of Shares subject to the maximum that each is prepared to accept.
- 4.5 Any such shares not accepted pursuant to **Article 4.4** shall be under the control of the Directors who may allot or otherwise dispose of the same in the manner as they think most beneficial to the Company provided that they shall not be disposed of on terms which are more favourable than the terms on which they were offered pursuant to **Article 4.4**. The Directors may in like manner dispose of any shares which by reason of the proportion borne by them to the number of persons entitled to the offer as aforesaid or by reason of any difficulty in apportioning them cannot in the opinion of the Directors be conveniently offered in the manner above.
- 4.6 The restrictions on allotment contained in **Article 4.4** shall not apply to any allotment of any Shares approved in writing by the holders of 75% of the issued share capital of the Company giving the right to attend and vote at general meetings of the Company.

## **5 TRANSFER OF SHARES**

The Directors shall not register in the statutory books of the Company the transfer of any Share or any interest in any Share unless the transfer is made in accordance with the provisions of **Article 6**, **Article 7** or **Article 8**.

## **6 VOLUNTARY TRANSFER OF SHARES**

- 6.1 Save as otherwise provided in these Articles every Member or person entitled to any Shares by reason of the death or bankruptcy of a Member or by operation of law who intends to transfer or otherwise dispose of all or any part of the Shares held by him (which shall include any disposition of any legal or equitable interest in any Share and whether by way of gift, sale, mortgage or otherwise) ("**a Proposed Transferor**") shall, before so doing or agreeing so to do give notice in writing to the Company specifying the number of Shares which he wishes to sell and the price at which he

wishes to sell such Shares ("**a Transfer Notice**"). A Transfer Notice shall constitute the Company the agent of a Proposed Transferor, empowered to sell the Shares referred to in the Transfer Notice ("**the Sale Shares**") (together with all rights then attached to them) at a price to be determined in accordance with the provisions of **Article 6.7 ("the Sale Price")** to any Member or Members in the manner appearing below. The Transfer Notice may contain a provision that unless all the Shares comprised therein are sold by the Company pursuant to this Article ("**a Total Transfer Condition**") none shall be sold and any such provision shall be binding on the Company.

- 6.2 Subject to this **Article 6.2**, a Transfer Notice shall not be revocable except with the consent of the Board which may impose such conditions upon any consent as it thinks fit, including a condition that the Proposed Transferor bears all associated costs. If the Auditors are asked to certify the Sale Price in accordance with **Article 6.7** the Proposed Transferor shall be entitled, by notice in writing given to the Company within 7 days of the receipt of the Auditor's opinion, to withdraw the Transfer Notice.
- 6.3 On the Sale Price being fixed pursuant to **Article 6.7** and provided that the Transfer Notice is not withdrawn in accordance with **Article 6.2**:
- 6.3.1 the Company will promptly give notice in writing of the Transfer Notice to each of the other Members holding Shares of the same class as the Sale Shares specifying the number of the Sale Shares and the Sale Price ("**the Offer**");
- 6.3.2 the Offer will give such Members the right to apply for the number of the Sale Shares which are pro rata to their existing holding of Shares of the same class as the Sale Shares calculated as if the Sale Shares held by the Proposed Transferor had not been issued but shall be limited to a period of 21 days from the date of the Offer ("**the Acceptance Period**") and if not accepted in writing by such Members within such time be deemed to have been declined by such Members;
- 6.3.3 the Offer will also give the Members to which it is made the right to apply for Sale Shares in addition to their due proportion calculated pursuant to **Article 6.3.2** if any other Members do not accept their due proportion within the Acceptance Period. If any such Members do not accept their due proportion then the unaccepted Sale Shares will be distributed amongst those Members applying for additional shares in proportion or as nearly as may be to their said holdings (but the Members shall not be bound to take more Sale Shares than they are prepared to take). If the number of Sale Shares comprised in the Offer is insufficient to enable them to be offered pro rata to all the Members then they will be offered individually to such Members by the drawing of lots.
- 6.4 If (i) there are no other members holding Shares of the same class as the Sale Shares or (ii) pursuant to **Article 6.3** above Members shall have expressed their willingness to purchase part only of the Sale Shares or (iii) no such Members shall have expressed their willingness to purchase any of the Sale Shares, the Board shall within 14 days after the expiry of the Acceptance Period, give notice in the manner provided in **Article 6.3** to all the Members holding Shares of any class in respect of the Sale Shares or (as the case may be) so many of them as the Members have not already expressed willingness to purchase pursuant to **Article 6.3** above and the provisions of that Article shall apply to the offer of Sale Shares to the holders of shares of other classes in like manner.

- 6.5 If after the procedure set out in **Articles 6.3** and **6.4** there are Sale Shares which have been declined then the Company shall forthwith give notice of that in writing to the Proposed Transferor and he shall then be at liberty, at any time thereafter up to the expiration of 6 months after the giving of such notice, to transfer such part of the Sale Shares which the Members have not agreed to purchase to any person on a bona fide sale at any price not being less than the Sale Price provided that:
- 6.5.1 unanimous consent of the transfer is obtained from the Members;
  - 6.5.2 if the Transfer Notice states that the Proposed Transferor is not willing to transfer part only of the Sale Shares, he shall not be entitled to transfer any of the Sale Shares unless in aggregate the whole of the Sale Shares are transferred;
  - 6.5.3 the Directors may require to be satisfied that such Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the instrument of transfer without any deduction, rebate or allowance whatsoever being given to the purchaser and if not so satisfied or for any other reason may refuse to register the instrument of transfer.
- 6.6 If the Members ("**the Purchasers**") shall within the periods of the offer contained in **Articles 6.3** and **6.4** (respectively) agree to purchase all or any of the Sale Shares in accordance with **Articles 6.3** and **6.4** respectively at the Sale Price or the Proposed Transferor finds another purchaser pursuant to **Article 6.5** the Board shall forthwith give notice in writing ("**the Acceptance Notice**") to the Proposed Transferor and the Purchasers of such acceptance specifying the name and address of each Purchaser, the number of Shares to be purchased by him and place and time (being not earlier than 7 days nor more than 28 days after the date of the Acceptance Notice) at which the sale of the Sale Shares or such of them as are applied for is to be completed ("**the Completion Date**").
- 6.7 The Sale Price for each of the Sale Shares shall be the price which is agreed between the Proposed Transferor and the Board or in the absence of agreement within 28 days of the Transfer Notice being given or deemed to be given, the price which the Auditors shall (acting as expert and not as arbitrator) certify to be in their opinion the fair value of such Sale Shares being the sum which a willing buyer would agree with a willing seller contracting on arm's length terms, to be the purchase price of such Sale Shares having regard to the fair value of the business of the Company and its subsidiaries as a going concern but without taking into account (if it be the case) that such Sale Shares constitute a minority interest. The Auditors shall not be restricted to consideration of the latest available accounts but shall consider the current financial position of the Company at the date of the Transfer Notice as stated in the latest available management accounts and in the light of all circumstances prevailing at the time. The decision of the Auditors shall, in the absence of manifest error, be conclusive and binding on the Company and on all persons interested in such Sale Shares. The Company and the Members shall use their reasonable endeavours to procure that the Auditors gives their written decision as to the fair value of such Sale Shares to the Company and the Proposed Transferor within 28 days of being requested to do so. The Auditors' opinion shall be conclusive and binding on the Company and all persons interested in the Sale Shares.
- 6.8 The cost of obtaining the Auditors' opinion shall be borne as to 50% by the Proposed Transferor and 50% by the Purchasers pro rata to the number of Sale Shares unless:

6.8.1 the Proposed Transferor shall withdraw the Transfer Notice in accordance with **Article 6.2**; or

6.8.2 none of the Sale Shares are purchased by the Members pursuant to this **Article 6**,

in which case the Proposed Transferor shall bear the cost.

6.9 If the Proposed Transferor having become bound to transfer the Sale Shares default in transferring them on the Completion Date, the Company may retain or receive (as appropriate) the purchase money on behalf of the Proposed Transferor and the Proposed Transferor shall be deemed to have appointed any Director (or any such other person as the Board may authorise for this purpose) as his lawful attorney to execute transfers of the Sale Shares and upon the execution of such transfers the Company will hold the purchase money on trust for the Proposed Transferor but shall not be bound to earn or pay interest on the same. The receipt of the Company for the purchase money will be a good discharge to the Purchaser(s) of such Sale Shares and (subject if necessary to the relevant transfers being stamped) after his name has been entered on the register of Members in purported exercise of the power conferred by this clause the validity of the proceedings will not be questioned by any person. The Company shall only be bound to pay over such purchase monies upon receipt from the Proposed Transferor of the relevant share certificate(s) in respect of the Sale Shares or, if the certificate(s) are lost or destroyed, an indemnity acceptable to the Company in that respect.

## **7 COMPULSORY TRANSFER OF SHARES**

7.1 For the purposes of this **Article 7** the occurrence of any of the following in relation to a Member shall be deemed to be a **Relevant Event**:

7.1.1 a sale or other disposition, of or any attempt to sell or dispose of, any beneficial interest in a Share (whether or not for consideration) by a Member otherwise than in accordance with **Articles 6** or **8** and whether or not made in writing, such event being deemed to have occurred on the date on which the Board receives actual notice of such matter;

7.1.2 a corporate Member entering into liquidation (other than a Members' voluntary liquidation for the purpose of bona fide solvent reconstruction or amalgamation) or an administrative receiver or a receiver or manager being appointed over any of its assets or an administration order being made against it;

7.1.3 the bankruptcy of a Member;

7.1.4 a Member making or offering to purport to make any arrangement or composition with his creditors generally;

7.1.5 the death of a Member;

7.1.6 a Member who is suspended from, or has been removed from, the pharmaceutical list as a result of a fitness to practice issue in any LPC area;

7.1.7 [where any Share(s) is held on trust for a LPC, any winding up or other cessation of such LPC].

and the Board shall resolve that such event is a Relevant Event for the purposes of these Articles within the following 12 months of the Board becoming aware of such occurrence.

- 7.2 If the Board shall resolve that a Relevant Event in accordance with **Article 7.1** has occurred in relation to a Member, subject to any relaxation or waiver of this Article by the written agreement of such Members holding in aggregate not less than 75% of the votes exercisable at a general meeting of the Company (including, the Member in respect of whom the relevant event has occurred), the Member and any persons who have required Shares from such Member pursuant to **Article 8.1.2** (directly or by means of a series of two or more permitted transfers) shall be deemed to have given a Transfer Notice ("**a Deemed Transfer Notice**") in respect of all Shares held by them or by any nominee for them immediately prior to the event. Notwithstanding **Article 6.2** a Deemed Transfer Notice shall not be revocable.
- 7.3 The Shares the subject of a Deemed Transfer Notice shall be offered for sale in accordance with the provisions of **Article 6.3** as if they were Sale Shares in respect of which a Transfer Notice had been given in respect of them save that:
- 7.3.1 the Sale Price for each of the Sale Shares shall be the price calculated in accordance with **Article 6.7**;
- 7.3.2 the Proposed Transferor shall be entitled to retain any Sale Shares for which Purchasers are not found;
- 7.3.3 the Sale Shares shall be sold together with all rights attaching to them as at the date of the Relevant Event, including the right to any dividend declared or payable on the Sale Shares after that date;
- 7.3.4 subject to **Article 6.2**, a Deemed Transfer Notice shall not be revocable and shall not contain or be deemed to contain a Total Transfer Condition.
- 7.4 Upon a Demand Transfer Notice having been served in respect of any Share no transfer of such Share may be made in accordance with the provisions of **Article 8** unless and until the offer round procedure in **Articles 6.3** and **6.4** has been followed in respect of such Shares and the period of allocation permitted under **Article 6.6** has expired without such allocation.

## **8 PERMITTED TRANSFERS AND INFORMATION POWERS**

- 8.1 The restrictions on transfer contained in **Articles 6** and **7** shall not apply to:
- 8.1.1 a transfer approved in writing unanimously by all Members at a general meeting of the Company (including, the holder proposing to transfer such Shares) which consent may be granted unconditionally or on a conditional basis in which case any Shares so transferred will be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer;
- 8.1.2 a transfer to a person nominated by a beneficial shareholder to hold shares on trust for such beneficial shareholder
- 8.1.3 a transfer by a corporate Member ("**the transferor company**") to an associated company ("**the transferee company**") (that is to say a holding company or wholly owned subsidiary of the transferor company and any other

wholly owned subsidiary of any holding company). If the transferor company and the transferee company cease to be associated the transferee company shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all the shares transferred to it unless it retransfers the shares to the transferor company. Notwithstanding **Article 6.2** such a Transfer Notice shall not be revocable.

It must be proved to the reasonable satisfaction of the Board that the transfer bona fide falls within one of these exceptions.

## **9 GENERAL MEETINGS**

- 9.1 A Director shall not be required to hold any share qualification but shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class of Shares in the capital of the Company.
- 9.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the registered office of the Company (or at such other place in the United Kingdom as is specified for that purpose in the notice of meeting or any instrument of proxy sent by the Company in relation to the meeting) not less than one hour before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or the adjourned meeting before the commencement of such meeting and, in default, the instrument or proxy shall not be treated as valid.

## **10 QUORUM AT GENERAL MEETINGS**

- 10.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. If and so long as the Company has one Member entitled to vote upon the business to be transacted, one person, being a Member or a proxy for a Member or if the Member is a corporation, a duly authorised representative of the corporation, shall be a quorum. If and so long as the Company has two or more Members entitled to vote at a general meeting, two persons, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
- 10.2 If a quorum is not present within one hour from the time appointed for the start of a general meeting the meeting shall be adjourned to the same day (or, if that day is not a Business Day, to the next following Business Day) in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within one hour from the time appointed for its start, such adjourned meeting shall again be adjourned in like manner. If there is no further quorum at the further adjourned meeting within one hour from the time appointed for its start the Member or Members present (whatever their numbers and the class or classes of shares held by them) shall constitute a quorum.
- 10.3 In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the secretary of it or by its duly appointed attorney or duly authorised representative.

- 10.4 In the case of an equality of votes, the chairman shall not be entitled to a casting vote.

## **11 NUMBER OF DIRECTORS**

- 11.1 The minimum number of Directors shall be one and there shall be no maximum number of Directors.
- 11.2 If and so long as there is a sole Director, he shall have the authority to exercise all the powers and discretions vested in the Directors generally, by these Articles, the Model Articles and the Act and Regulation 11 of the Model Articles (which relates to the quorum at board meetings) is modified accordingly.

## **12 APPOINTMENT OF DIRECTORS**

- 12.1 Subject to **Article 11.1** no person shall be appointed a Director at any general meeting unless either:
- 12.1.1 he is recommended by the Directors; or
  - 12.1.2 not less than 14 or more than 35 clear days before the date appointed for the general meeting, notice signed by a Member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
- 12.2 The Company may subject to **Article 11.1**, by ordinary resolution, appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- 12.3 The Directors may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with **Article 11.1** as to the maximum number of Directors for the time being in force.

## **13 RETIREMENT OF DIRECTORS**

- 13.1 The office of a Director shall be vacated if:
- 13.1.1 he resigns his office by notice in writing delivered to the registered office of the Company or tendered to a meeting of the Directors; or
  - 13.1.2 he becomes of unsound mind or a patient for the purposes of any statute relating to mental health and the Directors resolve that his office is vacated; or
  - 13.1.3 he becomes bankrupt or compounds with his creditors; or
  - 13.1.4 he is prohibited from being a Director by law or by the order of any court or tribunal of competent jurisdiction; or
  - 13.1.5 the Company so resolves by ordinary resolution in accordance with section 168 of the Act.

- 13.2 A Director shall not be required to vacate his office, and no person shall be ineligible for appointment as a Director, by reason only of his attaining any particular age.

#### **14 PROCEEDINGS OF DIRECTORS**

- 14.1 Notice of every meeting of the Directors shall be given to each Director at any address supplied by him to the Company for that purpose provided that any Director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. It shall be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Regulation 9 of the Model Articles shall be varied accordingly.
- 14.2 The quorum for the transaction of the business of the Directors shall be a minimum of 2 Directors. An Alternate Director, if his appointor is not present, is counted in the quorum and, if he is also a Director, he is treated as two Directors.
- 14.3 If there shall be no quorum at any meeting of the Directors within one hour after the time fixed for the meeting, the meeting shall be adjourned to such time (not being earlier than 7 days after the date of the original meeting) as the Director or Directors present at the meeting shall determine, or if none, as shall be determined by the secretary. If there shall be no quorum within one hour after the time fixed for the adjourned meeting, the meeting shall be further adjourned to such time (not being earlier than 7 days after the date of the adjourned meeting) as the Director or Directors present at the meeting shall determine, or if none, as shall be determined by the secretary. If there shall be no quorum at the further adjourned meeting within one hour of the time fixed for the meeting, the Director or Directors present, whatever their number, shall constitute a quorum.
- 14.4 Any Director who ceases to be a Director at a board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- 14.5 A Director shall be treated as present in person at a meeting of the Directors or any committee of the Directors if he is in communication with the meeting by conference telephone or other communication equipment permitting those attending the meeting to hear one another. A Director taking part in a meeting by telephone or other such prescribed means shall be counted in the quorum of the meeting and shall be entitled to vote at it. A meeting of the Directors or of a committee to which this Article applies shall be deemed to take place where the majority of those participating are assembled or, if there is no majority, at the place where the chairman of the meeting is present.
- 14.6 All decisions made at any meeting of the Directors shall be made by a majority vote and in the case of equality of votes at any meeting of the Directors, the chairman shall not have a second or casting vote.
- 14.7 The Directors may entrust to and confer on any Director any of the powers exercisable by them. Any such delegation may be made upon such terms and conditions and with such restrictions they think fit and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. Subject to any such conditions, any proceedings by any such delegate shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying.

## **15 DIRECTORS' BORROWING POWERS**

The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage, charge or standard security over the Company's undertaking property and uncalled capital and to issue debentures and other securities whether as primary or collateral security for any debt liability or obligation of the Company any subsidiary or holding company or any third party and to issue notes bonds and other obligations of the Company either for cash or as consideration for the acquisition of assets other than cash.

## **16 ALTERNATE DIRECTORS**

- 16.1 Any Director (other than an Alternate Director) may appoint any other Director or any other person willing to act to be an Alternate Director and may remove from office an Alternate Director so appointed by him.
- 16.2 An Alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct.
- 16.3 An Alternate Director may represent more than one Director, and shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) if he is also a Director.

## **17 GRATUITIES AND PENSIONS**

The Directors may exercise the powers of the Company conferred by the Memorandum of Association of the Company to grant pensions, annuities, gratuities and superannuation or other allowances and benefits in favour of any person, including any Director or former Director or the relations, connections or dependents of any such persons and the Directors and any former Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers. The receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

## **18 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 18.1 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:
- 18.1.1 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;
- 18.1.2 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;

- 18.1.3 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;
- 18.1.4 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
- 18.1.5 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.

## **19 DIRECTORS' CONFLICTS**

- 19.1 The Directors may, in accordance with the requirements set out in this **Article 19**, 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**").
- 19.2 Any authorisation under this will be effectively only if:
- 19.2.1 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;
- 19.2.2 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.
- 19.3 Any authorisation of a Conflict under this **Article 19** may (whether at the time of giving the authorisation or subsequently):
- 19.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorized;
- 19.3.2 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;
- 19.3.3 subject to the consent of the Member, provide that the Interested Director shall or shall not be eligible to vote in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- 19.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- 19.3.5 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

- 19.3.6 permit the Interested Director to absent herself 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.
- 19.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct herself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 19.5 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 authorization.
- 19.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under **Article 18.1** shall be necessary in respect of any such interest.
- 19.7 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 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.

## **20 NOTICES**

- 20.1 Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to the Member at his registered address as appearing in the Register of Members (whether or not that address is within the United Kingdom), or by delivering it to or leaving it at that registered address, addressed as aforesaid, or by any other means provided such other means have been authorised in writing by the Member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Any notice or other document served or delivered in accordance with these Articles shall be deemed duly served or delivered notwithstanding that the Member is then dead or bankrupt or otherwise under any legal disability or incapacity and whether or not the Company had notice thereof. Any such notice or other document, if sent by first class post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.
- 20.2 Notice of every general meeting shall be given in any manner authorised by or under these Articles of the Act to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company provided that any Member may in writing waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of the meeting that notice was not given to him.

## **21 INDEMNITY**

- 21.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, secretary or other officer of the Company is entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in the execution of his duties or in the exercise of his powers or otherwise in connection with his office, including any liability incurred by him in (i) defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted without any finding or admission of any material breach of duty on his part; or (ii) in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.
- 21.2 Subject to the provisions of the Act, the Company may purchase and maintain insurance at the expense of the Company for the Directors, officers or Auditors against any liability which attaches to them or loss or expenditure which they incur in relation to anything done or omitted or alleged to have been done or omitted as Directors, Officers or Auditors.