

Company number: 6828415

THE COMPANIES ACTS 1985 TO 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
EXETER SCIENCE PARK LIMITED

PRELIMINARY

1 The regulations contained in Table A shall apply to the Company save insofar as they are excluded or varied by these articles and such regulations (save as so excluded or varied) and these articles shall be the regulations of the Company.

2

2.1 In these articles, unless the contrary intention appears:

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for business in London;

“Companies Act” means the Companies Act 1985 and the Companies Act 2006 in each case the extent to which the provisions of the same are for the time being in force;

“Devon County Council” means Devon County Council of Council House, Topsham Road, Exeter, Devon EX2 4QD;

“East Devon District Council” means East Devon District Council of Knowle, Sidmouth, Devon, EX10 8HL;

“Exeter City Council” means Exeter City Council of Civic Centre, Paris Street, Exeter, EX1 1JN;

“Group” in relation to a member means that member, any wholly-owned subsidiary (as that term is defined in section 736 of the Companies Act 1985) of that member, any other company of whom that member is a wholly-owned subsidiary and any other wholly-owned subsidiary of any such company from time to time;

"Independent Accountants"

means the Auditors or Accountants appointed pursuant to Article 24;

"Insolvency"

means any of the following:

- (a) the presentation of a petition, or the convening of a meeting for the purpose of considering a resolution, for the winding up or dissolution of, the passing of any resolution for the winding up or dissolution of, or the making of a winding up order against or order for the dissolution of, a member;
- (b) the appointment of a receiver, administrative receiver, receiver and manager, administrator, sequestrator or similar officer over all or any of the assets or undertaking of a member or the making of an administration application or presentation of a petition for an administration order, the making of an administration order or the filing of documentation to obtain a moratorium pursuant to section 1A and paragraph 7 of schedule A1 of the Insolvency Act 1986 in relation to a member;
- (c) the proposal of, application for or entry into of a compromise or arrangement or voluntary arrangement, or any other scheme, composition or arrangement in satisfaction or composition of any of its debts or other arrangement for the benefit of its creditors generally, by a member with any of its creditors (or any class of them) or any of its members (or any class of them) or the taking by any party of any action in relation to any of the same;
- (d) the taking by any creditor (whether or not a secured creditor) of possession of, or the levying of distress or enforcement or some other process upon, all or part of the property, assets or undertaking of a member;
- (e) the deemed inability of a member which is a company to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or a member which is an individual appearing to be unable to pay a debt or to have no reasonable prospect

of being able to pay a debt within the meaning of section 268 of the Insolvency Act 1986;

- (f) the suspension of payment of debts by a member or the inability or admission of inability of a member to pay its debts as they fall due;
- (g) the ceasing by a member to carry on the whole or a substantial part of its business;
- (h) the presentation of a petition for bankruptcy, or the making of a bankruptcy order, in respect of a member, the occurrence of circumstances in respect of a member which would enable the presentation of a bankruptcy petition under part IX of the Insolvency Act 1986 or the making of an application for an interim order or the making of an interim order under section 252 of the Insolvency Act 1986 in relation to a member; or
- (i) the occurrence of an event or circumstance in relation to a member similar to any of those referred to in paragraphs (a) to (h) above in any jurisdiction other than England and Wales;

“Met Office”

means the Met Office of Fitzroy Road, Exeter, Devon, EX1 3PB;

“Table A”

in these Articles **Table A** means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies Act 1985 (Electronic Communications) Order 2000, (Tables A to F) (Amendment) Regulations 2007 and the Companies (Table A to F) (Amendment) (No. 2) Regulations 2007. Save as otherwise specifically provided in these Articles, words and expressions which have particular meaning in Table A shall have the same meanings in these Articles.

“University of Exeter”

means the University of Exeter (a company incorporated by Royal Charter in England and Wales with registered number RC000653) whose registered office is at The Queens Drive, Exeter, Devon, EX2 4RJ.

"Working Hours"

means 9.30 am to 5.30pm on a Business Day.

"address", in relation to electronic communications, includes any number or address used for the purposes of such communications;

a reference to **"writing"** shall include any mode of reproducing words in a legible and non-transitory form;

a reference to **"electronic form"** means that the notice in question is either (i) sent by electronic means (such as e-mail or fax); or (ii) is sent by any other means while in an electronic form (such as sending a disk by post);

a person shall be deemed to be **"connected"** with another if that person is connected with that other within the meaning of section 839 of the Income and Corporation Taxes Act 1988;

references to a **"person"** shall be construed so as to include any individual, firm, corporation, government, state or agency of a state or any joint venture, trust, association or partnership (whether or not having separate legal personality); and

words importing the singular number include the plural and vice-versa, words importing one gender include all genders.

2.2 Headings to these articles are inserted for convenience only and shall not affect construction.

SHARE CAPITAL

- 3 The authorised share capital of the Company at the date of adoption of these articles is [£3,550,000] divided into [355,000] ordinary shares of £10.00 each. Except as expressly mentioned in these articles, the shares shall rank *pari passu* in all respects. [***BB Note – this may be lower to reflect sunken costs of £128,848***]
- 4 Subject to the provisions of the Companies Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide. Regulation 2 in Table A shall not apply to the Company.
- 5 Subject to the Companies Act and to these articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may offer, allot, grant options over or otherwise dispose of them to such persons at such times for such consideration and generally on such terms and conditions as they may determine.
- 6 Subject to any direction to the contrary which may be given by the Company in general meeting, the directors are generally and unconditionally authorised for the purpose of section 80 of the Companies Act to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (within the meaning of section 80 of the Companies Act) up to an aggregate nominal amount equal to the amount of the authorised but unissued share capital of the Company at the date of the adoption of these articles provided that this authority shall expire on the date five years from the date of adoption of these articles unless renewed, varied or revoked by the Company in general meeting save that the directors may before such expiry make an offer or agreement which would or might require relevant securities to be offered after such expiry.

- 7 Save in respect of the first allotment of shares taking place after the adoption of these articles, no shares of either class shall be issued otherwise than to members holding shares of the same class without the prior written consent of all the members.
- 8 Unless otherwise provided by the rights attaching to any shares, those rights shall be deemed to be varied by the reduction of the capital paid up on the shares and by the allotment of further shares ranking in priority for the payment of dividends or other distributions or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall not otherwise be deemed to be varied by the creation or issue of further shares.

LIEN

- 9 The lien conferred by regulation 8 in Table A shall extend to every share in the capital of the Company, whether fully paid or not, and to all shares registered in the name of any person whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all monies owing to the Company by the person or his estate either alone or jointly with any other person whether as a member or not and whether such monies are presently payable or not.
- 10 There shall be added after the first sentence of regulation 10 in Table A the sentence "The transferee shall not be bound to see to the application of the purchase money".

CALLS ON SHARES AND FORFEITURE

- 11 Regulations 12 to 22 of Table A (inclusive) shall not apply to the Company.

TRANSFER OF SHARES

- 12 The instrument of transfer of a share which is not fully paid need not be executed by or on behalf of the transferee. Regulation 23 in Table A shall be varied accordingly.
- 13 No member shall sell, transfer, assign, pledge, charge or otherwise dispose of any share or any interest in any share other than:
 - 13.1 with the prior written consent of the other member;
 - 13.2 to the other member;
 - 13.3 in accordance with Article 14;
 - 13.4 a transfer of all (but not some only) of its shares in accordance with Articles 15 to 26; or
 - 13.5 pursuant to Articles 28 to 30 following the service of a Compulsory Transfer Notice.
- 14 A member may at any time transfer all (but not some only) of its shares to a member of its Group.
- 15 A member wishing to transfer its shares pursuant to Article 13.4 (the "**Transferor**") shall give an [irrevocable] notice (a "**Transfer Notice**") to the directors stating the number and class of the shares (the "**Transfer Shares**") and the identity of the proposed transferee (if any) (the "**Proposed Share Price**"). *[Note – should the notice be revocable?]*

- 16 The Transfer Notice shall constitute the Company (by its board of directors) as the agent of the Transferor empowered to sell the Transfer Shares at the Share Price (as defined below) together with all rights attaching to the Transfer Shares and as at the date of the Transfer Notice. Within 5 Business Days of receipt of the Transfer Notice, the directors shall serve a copy of the Transfer Notice on the other members (the "**Continuing Shareholders**"). The Transfer Shares shall be offered for sale and at a price per Transfer Share (the "**Sale Price**") determined in accordance with Article 17 below.
- 17 The Sale Price shall be such price as shall be agreed in writing between the Transferor and the directors (and not including the Transferor if he is also a director) and as representing no more than the market value of the Transfer Shares, or in the absence of such agreement within 10 Business Days after service of the Transfer Notice at a price per Transfer Share which is the Fair Value (as determined in accordance with Article 31 and Article 32).
- 18 [If the Fair Value as determined is not acceptable to the Proposing Transferor then the Proposing Transferor shall be entitled to revoke the Transfer Notice by notice to the Directors within 5 Business Days of the Determination Date (as defined below) (the "**Withdrawal Period**").
- 19 Notwithstanding Article 32.5 the costs and expenses of the Independent Accountants shall be borne as to one half by the Transferor and as to the other half by the Continuing Shareholders pro-rata to the number of Transfer Shares purchased by them [unless the Transferor revokes the Transfer Notice]/[unless none of the Transfer Shares are purchased by the Continuing Shareholders] in either event the Transferor shall pay all such costs and expenses.
- 20 The Determination Date shall (as the case may be) be the date on which either:
- 20.1 the Transferor and the directors agree the Sale Price; or
- 20.2 the directors receive the written report from the Independent Accountants setting out the Fair Value.
- 21 Within 5 Business Days of the Determination Date [if the Transfer Notice is capable of being revoked within 5 Business Days after the expiry of the Withdrawal Period] the Transfer Shares shall be offered for purchase at the Sale Price to the Continuing Shareholders (the "**Offer Notice**").
- 22 The Continuing Shareholders may, by giving a notice (a "**Purchase Notice**") to the directors within 20 Business Days following service of the Offer Notice (the "**Transfer Period**"), elect to buy the Transfer Shares at the Share Price. A Purchase Notice shall be irrevocable.
- 23 The Purchase Notice shall specify the date for completion of the sale and purchase of the Transfer Shares, which shall, subject to Article 24, be a date not less than ten Business Days nor more than 15 Business Days after the date of service of such notice. On the date specified for such completion, the Continuing Shareholders shall be bound to pay to the Transferor the Share Price and the Transferor shall be bound on payment of the Share Price to transfer the Transfer Shares to the Continuing Shareholders. If the Transferor makes default in so doing the Company may receive and give a good discharge in respect of the Share Price on behalf of the Transferor and the directors shall authorise some person to transfer the Transfer Shares to the Continuing Shareholders. The directors shall, subject to the share transfer being duly stamped, enter the name of the Continuing

Shareholders (or its nominee) in the register of members as the holder of the Transfer Shares and after any such entry has been made the validity of the transaction shall not be questioned by any person.

- 24 Where any consent or authority is required under any applicable law or regulation before the Continuing Shareholders may acquire the Transfer Shares from the Transferor, the Continuing Shareholders shall use its reasonable endeavours to obtain such consent or authority as soon as reasonably practicable following service of the Purchase Notice and the date for completion of the sale and purchase specified in the Purchase Notice shall be deemed to be the date five Business Days after such consent or authority is obtained (in the event that this is later than the date for completion specified in the Purchase Notice). In the event that any such consent or authority is not obtained within 60 Business Days following service of the Purchase Notice or is refused, the Transferor shall be at liberty at any time within the period of 40 Business Days following the expiry of such period of 60 Business Days or such refusal (as the case may be) to transfer the Transfer Shares to the proposed transferee in the Transfer Notice and the Purchase Notice shall cease to be of any effect.
- 25 If the Continuing Shareholders do not serve a Purchase Notice before the expiry of the Transfer Period or confirms in writing during the Transfer Period that it does not intend to serve a Purchase Notice, the Transferor shall be at liberty at any time within the period of 40 Business Days following the expiry of the Transfer Period to transfer all of its shares (but not some only) to the proposed transferee specified in the Transfer Notice at a price not less than the Share Price provided that such transfer is in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance of any kind to the transferee or any other agreement or arrangement, and not as part of a series of transactions, in either case which operates to reduce the true sale price below the Share Price.
- 26 Subject to regulation 24 in Table A, the directors shall forthwith register any duly stamped transfer made in accordance with these articles and shall not have any discretion to register any transfer of shares which has not been made in accordance with these articles.
- 27 The directors may from time to time require any member to provide the Company with such information and evidence as they may reasonably require to ensure compliance with articles 13 to 26. If a member fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 10 Business Days of request, such directors may serve a notice on the member stating that the member shall not in relation to all shares held by that member be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class or to receive dividends on the shares until such evidence or information has been provided to the satisfaction of the directors.

COMPULSORY TRANSFER OF SHARES

- 28 Any member (the “**Continuing Shareholders**”) may serve upon the other member (the “**Compulsory Transferor**”) a notice (a “**Compulsory Transfer Notice**”):
- 28.1 in the circumstances permitted pursuant to any agreement between, inter alia, all the members from time to time; and
- 28.2 upon the Insolvency or Incapacity of that other member
- requiring the Compulsory Transferor (or the Compulsory Transferor’s personal representative, trustee in bankruptcy, receiver, manager, administrator or liquidator (as the

case may be)) to transfer to the Continuing Shareholders the entire legal and beneficial interest in all of the Compulsory Transferor's shares at a price per share which is the Fair Value (as determined in accordance with Article 31).

- 29** A Compulsory Transfer Notice shall specify the date for completion of the sale and purchase of the Compulsory Transferor's shares (the "**Transfer Shares**"), which shall, subject to Article 30, be a date not less than ten Business Days nor more than 15 Business Days after the date either of service of such notice or, if later, on which the Fair Value is determined. On the date specified for such completion, the Continuing Shareholders shall be bound to pay to the Compulsory Transferor the Fair Value and the Compulsory Transferor shall be bound on payment of the Fair Value to transfer the Transfer Shares to the Continuing Shareholders. If the Compulsory Transferor makes default in so doing the Company may receive and give a good discharge in respect of the Fair Value on behalf of the Compulsory Transferor and the directors shall authorise some person to transfer the Transfer Shares to the Continuing Shareholders. The directors shall, subject to the share transfer being duly stamped, enter the name of the Continuing Shareholders (or its nominee) in the register of members as the holder of the Transfer Shares and after any such entry has been made the validity of the transaction shall not be questioned by any person.
- 30** Where any consent or authority is required under any applicable law or regulation before the Continuing Shareholders may acquire the Transfer Shares from the Compulsory Transferor, the Continuing Shareholders shall use its reasonable endeavours to obtain such consent or authority as soon as reasonably practicable following service of the Compulsory Transfer Notice and the date for completion of the sale and purchase specified in the Compulsory Transfer Notice shall be deemed to be the date five Business Days after such consent or authority is obtained (in the event that this is later than the date for completion determined in accordance with Article 29).
- 31** Within 10 Business Days after a Compulsory Transfer Notice is served or in the absence of agreement of the Sale Price within 10 Business Days after service of a Transfer Notice in accordance with Article 15, the directors shall or (in default of the directors so doing) any member may instruct the auditor of the Company from time to time (the "**Auditor**") or (in the event that the Auditor is not willing to carry out the determination):
- 31.1 such firm of chartered accountants as the members may agree in writing; or
 - 31.2 failing agreement on the identify of the firm of chartered accountants such firm of chartered accountants as may be appointed for this purpose on the application of the Company or any member by the President for the time being of the Institute of Chartered Accountants in England and Wales,
- (the "**Independent Accounts**") to determine the Fair Value in accordance with Article 32.
- 32** In determining the Fair Value, the Independent Accountants (as the case may be) shall act on the following basis:
- 32.1 they shall act as experts and not as arbitrators;
 - 32.2 their terms of reference shall be to determine an amount which in their opinion represents the fair market value of the share in question within 30 days of their appointment and they shall proceed on the basis that:

- 32.2.1 there shall be no discount or premium by reason of the fact that the share in question may form part of a holding which represents a minority or majority interest in the Company;
 - 32.2.2 they shall assume there is a willing buyer and a willing seller for the share in question on an arm's length basis;
 - 32.2.3 they shall assume the sale is taking place on the date they were requested to determine the Fair Value;
 - 32.2.4 they shall be entitled to take into account the fact that any dividend or other distribution has been declared in respect of the share in question but remains unpaid and to take into account any record date set by the Company to establish who is entitled to such dividend or distribution; and
 - 32.2.5 otherwise they may take into account such other factors as they deem relevant to a proper valuation of shares in the Company;
- 32.3 the Company shall promptly provide the Auditor or Independent Accountants (as the case may be) with all information which they reasonably require and the Auditor or Independent Accountants (as the case may be) shall be entitled (to the extent they consider it appropriate) to base their opinion on such information and on the accounting and other records of the Company (and any subsidiaries of the Company from time to time);
- 32.4 their determination shall (in the absence of manifest error) be conclusive and shall be binding upon all the members; and
- 32.5 their costs shall be borne by the members in equal shares.

NOTICE OF GENERAL MEETINGS

- 33** Notice of every general meeting shall be given to all members (whether situated in the United Kingdom or not) other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to every director and also to the auditor or, if more than one, each of them.

PROCEEDINGS AT GENERAL MEETINGS

- 34** Subject to Article 36, the quorum at any general meeting of the Company or adjourned general meeting shall be the holders of 100% of the shares in issue whether present in person or by proxy.

The second sentence of regulation 40 in Table A shall not apply to the Company.

VOTES OF MEMBERS

- 35** Subject to Articles 36 and 37, at a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote for every share of which he is the holder (if any). Regulation 54 in Table A shall not apply to the Company. The Chairman shall be entitled to a casting vote.

- 36 In the event that shares shall become the subject of a Compulsory Transfer Notice, then until such time as those shares are registered in the name of the Continuing Shareholders (or its nominee) or the Compulsory Transfer Notice is revoked, the holder of those shares shall not be entitled to count in the quorum or vote at any general meeting or the Company.
- 37 Regulation 57 in Table A shall not apply to the Company.
- 38 The appointment of a proxy and (if required by the directors) any authority under which it is given or a copy of the authority, certified notarially or in some other way approved by the directors, may be notified to the Company at any time before the taking of the vote at the meeting or adjourned meeting at which the person named in the appointment proposes to act or, in case of a poll taken subsequently to the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an appointment of proxy which is not so notified shall be invalid. Regulation 62 in Table A shall not apply to the Company.

NUMBER OF DIRECTORS

- 39 The number of directors (other than alternate directors) shall not be subject to a maximum but shall not be less than three.

ALTERNATE DIRECTORS

- 40 Any director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be an alternate director and may remove from office an alternate director so appointed by him. Regulation 65 in Table A shall not apply to the Company.
- 41 An alternate director shall be entitled to receive notice of, and copies of any papers circulated before or at and minutes of, all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence, but not to appoint an alternate. An alternate director who is absent or intending to be absent from the United Kingdom may specify an address to which notices may during his absence be sent. An alternate director shall not be entitled to receive remuneration from the Company for his services as an alternate director except for any part of the remuneration otherwise payable to his appointor which the appointor by notice to the Company directs. Regulation 66 in Table A shall not apply to the Company.
- 42 An alternate director (in his capacity as such) shall be precluded from voting, counting in the quorum or attending any part of a meeting of the board if the director who appointed him would have been so precluded.
- 43 Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the happening of any event which, if he is or were a director, causes or would cause him to vacate that office. Regulation 67 in Table A shall not apply to the Company.

DELEGATION OF DIRECTORS' POWERS

- 44 The directors may delegate any of their powers (with power to sub delegate) to any committee consisting of such person or persons (whether directors or not) as they think fit provided that (unless the members shall agree otherwise in writing) the members of any such committee shall include the Devon County Council Director, the University of Exeter Director, the Exeter City Council Director, the East Devon District Council Director and the

Met Office Director (as defined in Article 45 below). The first sentence of regulation 72 in Table A shall not apply to the Company and references in Table A and these articles to a committee of directors or to a director as a member of such a committee shall include a committee established under this article or such person or persons. The provisions of these articles which apply to proceedings of the board of directors shall, so far as they are capable of applying, apply also to proceedings of committees of the board.

APPOINTMENT AND RETIREMENT OF DIRECTORS

45 For so long as:

45.1 Devon County Council or any of its successor bodies holds 49.3% or more of the shares it shall be entitled to appoint and remove by prior notice in writing to the other members and the Company one person to be a director of the Company and to appoint such director to any committee of the Company (the “**Devon County Council Director**”);

45.2 The University of Exeter or any of its successor bodies holds 21.1% or more of the shares it shall be entitled to appoint and remove by prior notice in writing to the other members and the Company one person to be a director of the Company and to appoint such director to any committee of the Company (the “**University of Exeter Director**”);

45.3 Exeter City Council or any of its successor bodies holds 21.1% or more of the shares it shall be entitled to appoint and remove by prior notice in writing to the other members and the Company one person to be a director of the Company and to appoint such director to any committee of the Company (the “**Exeter City Council Director**”);

45.4 East Devon District Council or any of its successor bodies holds 7% or more of the shares it shall be entitled to appoint and remove by prior notice in writing to the other members and the Company one person to be a director of the Company and to appoint such director to any committee of the Company (the “**East Devon District Council Director**”);

45.5 The Met Office or any of its successor bodies holds [1.4%] or more of the shares it shall be entitled to appoint and remove by prior notice in writing to the other members and the Company one person to be a director of the Company and to appoint such director to any committee of the Company (the “**Met Office Director**”);

46 Without prejudice to the powers conferred by any other article, any person may be appointed a director by the directors, either to fill a vacancy or as an additional director.

47 No shareholding qualification for directors shall be required.

48 Directors shall not be required to retire by rotation. Regulations 73 to 80 (inclusive) and the last sentence of regulation 84 in Table A shall not apply to the Company.

49 The right to appoint or remove directors under these Articles shall be a class right attaching to the shares.

50 The directors shall appoint one person to be an independent Non-Executive Chairman (the “**Non-Executive Chairman**”) to be chairman of the board and to remove such Non-Executive Chairman and appoint another person to be the Non-Executive Chairman in his place. The Non-Executive Chairman shall have a casting vote at board meetings. Until a

Non-Executive Chairman is appointed, the chairman shall be appointed from amongst the directors but shall not have a casting vote at board meetings.

- 51 The directors shall appoint such numbers of non-executive directors (the “**Non-Executive Directors**”) as in their absolute discretion they may determine to be Non-Executive Directors of the Company to remove such Non-Executive Directors in their place. The Non-Executive Directors shall be entitled to vote at board meetings.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 52 The office of a director shall be vacated not only upon the happening of any of the events mentioned in regulation 81 in Table A but also if he is removed from office pursuant to these articles or becomes incapable by reason of illness or injury of managing and administering his property and affairs. Regulation 81 in Table A shall be varied accordingly.

DIRECTORS’ GRATUITIES AND PENSIONS

53

53.1 The powers of the directors mentioned in regulation 87 in Table A shall be exercisable as if the word “executive” (which appears before the word “office”) were deleted.

53.2 Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Companies Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

PROCEEDINGS OF DIRECTORS

- 54 In addition to the methods of notification specified in Article 71 below, notice of a meeting of the directors may be given to a director verbally. A director absent or intending to be absent from the United Kingdom may specify an address to which notices may during his absence be sent. A director may waive notice of any meeting either prospectively or retrospectively. The third sentence of regulation 88 in Table A shall not apply to the Company.

- 55 The quorum at any meeting of the directors shall be the Devon County Council Director, the University of Exeter Director, the Exeter City Council Director, the East Devon District Council Director, the Met Office Director and the chairman (when appointed). If a member has failed to appoint a Director (and no alternate director is appointed by that member to attend meetings) then if a meeting is called in accordance with the Articles the meeting shall be deemed quorate notwithstanding the fact that no Director appointed by a particular member is present. If within half an hour of the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine (the “**First Adjourned Meeting**”). If at the First Adjourned Meeting a quorum is not present within half an hour of the time appointed for the meeting, then the First Adjourned Meeting shall stand adjourned to the same day in the next week and the same time and place or to such other day and at such other time and place as the director at the First Adjourned Meeting may determine (the “**Second Adjourned Meeting**”). If at the Second Adjourned Meeting a quorum is not present within half an hour from the time appointed for the meeting due to the absence of any directors appointed by the same holder of shares as appointed those whose absence caused the First Adjourned Meeting

and the Second Adjourned Meeting to be inquorate then these directors present shall form a quorum.

- 56 All or any of the members of the board or any committee of the board may participate in a meeting thereof by means of a conference telephone or by any other form of communication equipment (whether in use when these articles are adopted or not) or by a combination of those methods which allows all persons participating in the meeting to hear each other and, if they so wish, to address all of the other participating persons simultaneously. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.
- 57 A resolution in writing signed or approved by notice, letter, fax or in electronic form by a majority of the directors entitled to receive notice of a board meeting or by a majority of the persons entitled to receive notice of a meeting of a committee of the board/directors who would between them be able to cast sufficient votes at a board meeting or meeting of a committee of the board (as the case may be) to pass such resolution] shall be as valid and effectual as if it had been passed at a board meeting or (as the case may be) a meeting of a committee of the board duly convened and held and may consist of several documents each signed or approved (as the case may be) by one or more persons. A resolution of the board or any committee of the board may be passed by accepting the vote of any director who is absent from the relevant meeting but who has communicated his vote by means of a resolution in writing signed or approved in accordance with this article and any such absent director shall be deemed to be present at the meeting and shall be counted in ascertaining whether a quorum is present. A resolution in writing signed or approved pursuant to this article by an alternate director need not also be signed or approved by his appointor and, if it is signed or approved by a director who has appointed an alternate director, it need not be signed or approved by the alternate director in that capacity. Regulation 93 in Table A shall not apply to the Company.
- 58 The words “of filling vacancies or” shall be omitted from regulation 90 in Table A.
- 59 Subject to Article 60, a director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction or arrangement or proposed transaction or arrangement within the Company shall declare the nature and extent of his interest at a meeting of the directors before the Company enters into a proposed transaction or arrangement, or in the case of an existing transaction or arrangement, as soon as reasonably practical in accordance with the Companies Act. Subject, where applicable, to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract 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.
- 60 A director shall be entitled to abstain from voting or to absent himself from all or any part of any meeting in relation to any matter where he considers that to vote for or against a matter may put him in breach of his duties to the Company (whether at law or by reference to any code of conduct, good governance procedures or otherwise) and if he so abstains or absents himself then he shall not be in breach of his duties as a director in relation to the matter in question.
- 61 For the purposes of section 175 of the Companies Act, the directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (“**Conflict Authorisation**”), any matter proposed to them in accordance with these Articles which would, or might, if not so authorised, constitute or give rise to a situation in which a director (a Relevant Director)

has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (a “**Conflict Situation**”). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised.

62 The quorum for any meeting of the directors whilst it is considering the grant, alteration or revocation of a Conflict Authorisation shall be:

62.1 the Devon County Council Director, the University of Exeter Director, the Exeter City Council Director, the East Devon District Council Director if the Conflict Situation relates to a Met Office Director;

62.2 the Devon County Council Director, the University of Exeter Director, the Exeter City Council Director, the Met Office Director if the Conflict Situation relates to a East Devon District Council Director;

62.3 the Devon County Council Director, the University of Exeter Director, the East Devon District Council Director, the Met Office Director if the Conflict Situation relates to a Exeter City Council Director;

62.4 the Devon County Council Director, the Exeter City Council Director, the East Devon District Council Director, the Met Office Director if the Conflict Situation relates to a the University of Exeter Director, and

62.5 the University of Exeter Director, the Exeter City Council Director, the East Devon District Council Director, the Met Office Director if the Conflict Situation relates to a Devon County Council Director.

63 Where directors give a Conflict Authorisation:

63.1 the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded);

63.2 the directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation; and

63.3 the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject.

64 Any terms to which a Conflict Authorisation is made subject (a “**Conflict Authorisation Terms**”) may include (without limitation to Article 61) provision that:

64.1 where the Relevant Director obtains (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise obliged him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party;

64.2 the Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions (whether at directors’ meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 61) will not constitute a breach by him of his duties under sections 172 to 174 Companies Act.

65 Subject to Articles 66 and 67 but without prejudice to Article 61 to 63 (inclusive), authorisation is given by the members of the Company for the time being on the terms of these Articles to each director in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by the Company and/or any other member (if any) of the Relevant Group (“**Group Conflict Authorisation**”). The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (“**Group Conflict Authorisation Terms**”) are automatically set by this Article 65 so that the director concerned:

65.1 is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director or the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party; and

65.2 may (but shall be under no obligation to):

65.2.1 absent himself from the discussions of, and/or the making of decisions;

65.2.2 make arrangements not to receive documents and information,

relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 Companies Act.

66 A Group Conflict Authorisation given or deemed given under Article 65 may be revoked, varied or reduced in its scope or effect by special resolution.

66.1 In these Articles **Relevant Group** comprises:

66.1.1 the Company;

66.1.2 any body corporate which is for the time being a wholly owned subsidiary of the Company;

66.1.3 any body corporate of which the Company is for the time being a wholly owned subsidiary (Parent);

66.1.4 any body corporate (not falling with any preceding paragraph of this definition) which is for the time being a wholly owned subsidiary of the Parent; and

66.1.5 any body corporate which is for the time being a member of the Company.

67 Authorisation is given by the members of the Company for the time being on the terms of these Articles to each director for the time being (including any alternate) in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by any Relevant Member Entity (Member Conflict Authorisation). The Conflict Authorisation Terms applicable to the Member Conflict Authorisation (Member Conflict Authorisation Terms) are automatically set by this Article 67 so that the director:

67.1 is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Member Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party; and

67.2 may (but shall be under no obligation to):

67.2.1 absent himself from the discussions of, and/or the making of decisions;

67.2.2 make arrangements not to receive documents and information,
relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Member Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 Companies Act.

68 In these Articles Relevant Member Entity means:

68.1 any member;

68.2 any body corporate in which a member holds for the time being or has ever held or are or may become obliged (whether or not contingently) to make or acquire any investment (whether debt, equity or otherwise); and

68.3 any other body corporate which is in the same group as any member or with whom the member (or a member of its group) has or is proposing or considering having any business or commercial dealings or relationship.

69 A director may hold any other office or place of profit under the Company, other than that of auditor and of secretary if he be a sole director, at such remuneration and upon such terms as the directors may determine. Any director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

70 The directors shall be repaid by the Company any reasonable expenses they incur in attending and returning from meetings of the directors, or of committees of the directors, or

general meetings, or which they may otherwise incur, whether in the United Kingdom or abroad, in or about the business of the Company.

NOTICES

71 Save where the Company has specified, or these articles specify, a particular method of delivery, any notice to be given to the Company pursuant to the articles may be:

71.1 delivered in hard copy by hand or by post in a prepaid envelope to the Company's registered office or any other address specified for the purpose by the Company;

71.2 sent by facsimile transmission from a facsimile number specified for the purpose by the Company; or

71.3 delivered in any other manner which has been agreed by the Company.

72 Save where these articles specify a particular method of delivery and subject to any provision in these articles which permits any other method of delivery, any notice to be given by the Company or any other person to a recipient other than the Company pursuant to the articles may be:

72.1 handed to the intended recipient in hard copy;

72.2 delivered in hard copy by hand or by post in a prepaid envelope to any of the following addresses:

72.2.1 to a person in his capacity as a member of the Company at his address as shown in the Company's register of members;

72.2.2 to a person in his capacity as a director of the Company at his address as shown in the Company's register of directors;

72.2.3 to any other address specified for the purpose by the intended recipient; or

72.2.4 where the Company is unable to obtain an address falling within any of sub-paragraphs (a) to (c) to the intended recipient's last address known to the Company;

72.3 sent by facsimile transmission to a facsimile number specified for the purpose by the intended recipient;

72.4 delivered in any other manner which has been agreed by the intended recipient.

Notice given to any one of the joint holders of a share shall for all purposes be deemed a sufficient service on all the joint holders. Regulations 111 and 112 in Table A shall not apply to the Company.

TIME OF SERVICE

73 Subject to Article ??? and in the absence of earlier receipt, any notice or communication shall be deemed to have been served if delivered personally, at the time of delivery; if sent by first class post, 2 Business Days after the date of posting; and if sent by facsimile transmission, at the time of transmission.

- 74 Any notice or communication served under these Articles outside Working Hours in the place to which it is addressed shall be deemed not to have been served until the start of the next period of Working Hours in such place.
- 75 In proving service of a notice or communication, it shall be sufficient to prove that delivery was made or that the envelope containing the notice or communication was properly addressed and posted as a prepaid first class letter, or that the facsimile message was transmitted to the facsimile number of the recipient (as the case may be). For the avoidance of doubt, notices or communications to be served under these Articles shall not be validly served if sent by e-mail or other electronic means of communication (other than facsimile transmission).

DOCUMENTS RELATING TO THE COMPANY

- 76 Save as may be required by law, the directors may at their discretion accept, authorise or approve a faxed or other machine made copy of any application, instrument, authority, consent, notice or other document produced to or served on the Company, the directors or the members.

JOINT HOLDERS

- 77 Anything to be agreed or specified in relation to documents or information to be sent or supplied to the joint holders of a share may be agreed or specified by any of the joint holders on behalf of all of them.

INDEMNITY AND OFFICERS INSURANCE

- 78 Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which a director or officer may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against losses and liabilities which he incurs in connection with the performance of his duties as such, save, in connection with any negligence, default, breach of duty or breach of trust by such director or officer in relation to the Company, in respect of:

78.1 any liability incurred to the Company or an associated company;

78.2 any liability to pay a fine imposed in criminal proceedings;

78.3 any liability to pay a sum to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature;

78.4 any liability incurred in defending any criminal proceedings in which such director or officer is convicted;

78.5 any liability incurred in defending any civil proceedings brought by the Company or an associated company, in which judgment is given against such director or officer;
or

78.6 any liability incurred in connection with any application under sub-section 144(3) or 144(4) or section 727 of the Companies Act, in which the court refuses to grant such director or officer relief.

In this article, "associated company" means any subsidiary or holding company of the Company, and any subsidiary of any such holding company and references in paragraphs

(4), (5) and (6) to a conviction, judgment or refusal of relief is to one that has become final (within the meaning of section 234 of the Companies Act).

Subject to the provisions of the Companies Act, the directors may purchase and maintain insurance at the expense of the Company for the benefit of the directors or other officers of the Company (or any past directors or officers) against 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 by them as directors or officers.

79 Regulation 118 in Table A shall not apply to the Company.