

SC 51158

THE COMPANIES ACT 1948 to 1981

COMPANY LIMITED BY SHARES

NEW ARTICLES of ASSOCIATION

of

KAMES FISH FARMING LIMITED

(Adopted by Special Resolution passed on 6th July 1984)  
(Amended by Special Resolution passed on 30th June 1987)

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1. The regulations contained in Table A appended to the Companies Act, 1948 as amended by the Companies Acts 1967 to 1981 (hereinafter referred to as "Table A") shall apply to and shall be the regulations of the Company save in so far as they are excluded or varied hereby or are inconsistent herewith.

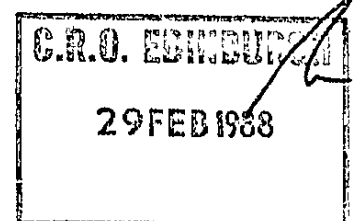
DEFINITIONS

2. For the purposes of these Articles:-

"the Agency" shall mean Scottish Development Agency established by the Scottish Development Agency Act 1975 and having its Chief Office at 120 Bothwell Street, Glasgow

"member of the Agency Group" shall mean the Agency or any holding or subsidiary company of the Agency or any company, corporation or statutory body which has acquired the whole or substantially the whole of the undertaking of the Agency.

"holding company" and "subsidiary" shall have the meanings respectively ascribed to them by Section 154 of the Companies Act 1948.



Anything required or enabled in these Articles to be done by the Agency Group shall be done by that member of the Agency Group respectively which holds shares in the Company or, if more than one such member holds shares in the Company by that member holding shares who is nominated for the purpose by notice in writing to the Company signed on behalf of all members of the Agency Group which holds shares in the Company.

TABLE A

3. The regulations numbered 24, 53, 79, 84(2), 89 to 97 inclusive and 99 of Table A shall not apply to the Company, and the following regulations shall be modified:-

Regulation 11, so that the words "not being a fully paid share" and "other than fully paid shares" shall be held to be delete;

Regulation 33, so that there shall be added to the end thereof the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

Regulation 86, so that the words from and including "and every director" to the end of the regulation shall be held to be delete;

Regulation 88, by inserting in paragraph (c) thereof after the word "Act" the words "Section 9 of the Insolvency Act 1976 or Section 28 of the Companies Act 1976", and by deleting paragraph (F) thereof.

PRIVATE COMPANY

4. The Company is hereby declared to be a private company and no invitation shall at any time be made to the public to subscribe for any shares or debentures of the Company. The Company shall not have power to issue share warrants to bearer.

5. The number of members of the Company (not including persons who are in the employment of the Company and persons who having been formerly in the employment of the Company were while in such employment, and have continued after the determination of such employment to be members of the Company) shall at no time exceed fifty; several persons, however, holding one or more shares jointly shall be deemed to be a single member.
6. Subject to Article 10 hereof, the Directors may, without assigning any reason, decline to register any transfer of shares.
  - 6(a) subject to the provisions of Part III of the Companies Act 1981 any shares of the Company may be purchased by the Company on such terms and conditions as the Company, before it enters into a contract or contingent contract for the purchase of such shares, may by Special Resolution determine. A payment in respect of such a purchase by the Company may with the sanction of a Special Resolution be made otherwise than out of the disposable profits of the Company (within the meaning of Part III of the Companies Act 1981) or the proceeds of a fresh issue of shares made for the purposes of the redemption, notwithstanding that such payment may constitute a payment out of capital.
7. The authorised share capital of the Company as at the date of adoption of these Articles of Association is £100,000 divided into 100,000 Ordinary Shares of £1 each (the "Ordinary Shares").
8. Subject to the provisions of Part III of the Companies Act 1981 any shares of the Company may be purchased by the Company on such terms and conditions as the Company, before it enters into a contract or contingent contract for the purchase of such Shares, may by Special Resolution determine. A payment in respect of such a purchase by the Company may with the sanction of a Special Resolution be made otherwise than out of the disposable profits of the Company (within the meaning of Part III of the Companies Act 1981) or the proceeds of

fresh issue of shares made for the purposes of the redemption, notwithstanding that such payment may constitute a payment out of capital.

9. Any Shares of any class in the capital of the Company which the Directors or the Company may resolve to issue after the date of adoption of these Articles shall (unless all the members for the time being otherwise agree in writing) be offered in the first place to all the members in proportion to their respective holdings of shares in the Company (any member of the Agency Group being entitled to accept an offer made to any other member of the Agency Group) such offer to stipulate a period of not less than 30 days for acceptance. Any shares issued to the Agency Group or any other member of the Company pursuant to such an offer shall be issued upon terms and conditions as to payment and otherwise no less favourable than those made available to any members of the Company. Any such shares not accepted by members within the said period shall be at the disposal of the Directors. A member may accept in respect of a smaller number of shares than the total number to which he is entitled under this Article.

#### TRANSFER OF SHARES

10. Subject to what is in this and the preceding Article contained the following provisions shall apply to all transfers of Shares, that is to say:-

- (a) For the purpose of these presents the renunciation or negotiation of any temporary document of title to any share shall constitute a transfer.
- (b) Notwithstanding any other provision contained in these Articles the Directors shall register the transfer of any shares made from any member of the Agency Group to another member of the Agency Group, and any transfer made pursuant to this paragraph shall not be subject to the following paragraphs of this Article.

- (c) Any holder of Shares who desires to transfer the same shall give notice in writing of such proposal to the Secretary of the Company, specifying the Shares to be transferred, and either the name and address of the proposed transferee, and the price to be paid therefor, or where there is no proposed transferee the price at which the selling member is prepared to transfer the Shares, which notice shall not be revocable except with the sanction of the Directors in writing or except as aftermentioned in the case of a transfer without consideration, the holder shall so state in his notice to the Secretary and the Directors preferable right to require a transfer under paragraph (d) of this Article shall be at the fair value as therein provided.
- (d) The Directors shall thereupon have a preferable right to require a transfer of the said Shares, or any of them in favour of some other member or members of the Company or other person or persons whom they may think it desirable to admit to membership, as they in their discretion may determine, and that at the price specified in the foresaid notice, or in the option of the Directors, at the fair value thereof, as such fair value shall be fixed by the Auditor of the Company for the time being. The said Shares shall be transferred by the holder thereof to the person or persons named by the Directors on a formal requisition to that effect by the Directors, subject however to the right of the selling member where the value has been fixed by the Auditor as aforesaid to decline to transfer the Shares and to revoke the notice given under paragraph (c) of this Article.
- (e) In the event of the Directors not intimating to the holder of the Shares within four weeks after receiving the foresaid notice that they have been able to arrange for some member or other person as aforesaid to purchase the Shares, or in the event of any such member or other person named by the Directors failing to complete the sale and pay the price within fourteen days after being called upon to do so by the holder of the Shares the Directors shall either register the transfer in favour of the

transferee proposed by the holder of the Shares or decline in terms of Article 6 to register the transfer.

- (F) If any member shall die or become bankrupt, the executor, administrator, trustee or assignee of such deceasing or bankrupt member (all of whom are hereinafter included in the term "vendor") shall be deemed to have given notice as on the date the Directors receive intimation of the death or bankruptcy of the member, as the case may be, that the vendor desires to sell the Shares held by the deceased or bankrupt member at the value to be fixed by the Auditor as aforesaid. The notice under this Clause shall not be revocable. The Directors shall thereupon have the right on a formal requisition to require the said vendor to transfer the said Shares or any of them in favour of some other member or members of the Company, or other person or persons whom they may think it desirable to admit to membership as they in their discretion may determine. In the event of any such member or other person named by the Directors failing to complete the sale and pay the price within fourteen days after being called upon to do so by the said vendor the Directors shall have the right to recall the requisition and make fresh requisition requiring the said vendor to transfer the said Shares or any of them in favour of some or other member or members of the Company or other person or persons whom they may think it desirable to admit to membership as they in their discretion may determine. If within six months of the date of the said notice the Directors shall not have intimated to the said Vendor that they have been able to arrange for some member or other person as aforesaid to purchase the Shares or the member or other person purchasing shall have failed to complete the sale and pay the price then the vendor shall be entitled to be registered as the holder of the Shares notwithstanding the provisions of Article 6 hereof and if the said vendor shall be an executor, administrator or trustee of a deceased member he shall be further entitled to transfer the shares to the person

or persons entitled to the same under the will or intestacy of the deceased member notwithstanding the provisions of Article 6 hereof.

- (g) In any sale of Shares under these Articles if the member or other person selling, on receiving payment or on being tendered payment of the price, shall default in transferring the Shares to the purchaser or purchasers any Director duly nominated by the board for that purpose shall forthwith be deemed to be the duly appointed Attorney of the member or other person selling, with full power to execute, complete and deliver in the name and on behalf of the member or other person selling a transfer of the Shares to the purchasing member or members and the Directors may receive and give a good discharge for the price on behalf of the member or other person selling and enter the name of the purchaser or purchasers in the Register of Members as holder by transfer of the Shares purchased by him or them.
- (h) Notwithstanding the foregoing provisions of this Article and of Article 6, any member of the Company on the Register of Members at the date of adoption of this Article shall be entitled to transfer or by will bequeath any shares held by such member to the wife, husband, brother, sister, child or grandchild of such member and the Directors shall register or otherwise give effect to any such transfer or bequest.
- (i) Notwithstanding the foregoing provisions of this Article the Directors shall not register the transfer of any shares (hereinafter called the "Specified Shares") conferring the right to vote at General Meetings of the Company, if such transfer is intended to be made to a person not a member of the Company at the date of adoption of these Articles of Association and which would result if made and registered in a person or persons acting together who is or are not a member or members of the Company at the date of adoption of these Articles of Association obtaining any shares in the Company, without the previous written consent of the Agency unless (i) the proposed transferee

or transferees or his or their nominees shall have offered to purchase at the Specified Price as hereinafter defined the whole of the Ordinary Shares registered in the name of any member of the Agency Group and its respective nominees and such offer shall have remained open for acceptance for a period of not less than twenty one days; and (ii) the Company and the proposed transferee or transferees shall have undertaken (if so requested by and to the satisfaction of the Agency) to repay or procure repayment forthwith of any sums which may be outstanding on loan from the Agency to the Company together with any arrears of interest and such additional amount by way of interest as may have been agreed to be payable between the Company, its Directors and the Agency.

For the purpose of this Article the expression:-

"Transfer", and "Transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment; and

"the Specified Price" shall, in the case of Ordinary Shares mean a price per share at least equal to that offered, or paid, or payable by the proposed transferee or transferees or their nominees for the Specified Shares to the holders thereof, plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Specified Shares and in the event of disagreement the calculation of the Specified Price shall be referred to an independent person (acting as expert and not as arbiter) nominated by the parties concerned (or in the event of a disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants of Scotland) whose decision shall be final and binding.



VARIATION OF RIGHTS

11. Whenever the capital of the Company is divided into different classes of Shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the holder of three-fourths of the issued Shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the Shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued Shares of the class (so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum) and that the holders of Shares of the class shall on a poll have one vote in respect of every Share of the class held by them respectively.

DIRECTORS

12. The number of Directors shall not be less than two. The quorum necessary for the transaction of the business of the Directors shall be two.
13. The Directors shall be reimbursed by the Company of all reasonable expenses and outlays incurred by them in prosecution of the Company's business and attending Board Meetings.
14. Subject to compliance with the provisions of Section 199 of the Companies Act 1948, a Director shall not be disqualified from voting in respect of any contract or arrangement in which he is interested or from being counted in the quorum at any meeting at which such contract or arrangement is taken into consideration.
15. So long as any member or members of the Agency Group is or are registered in respect of any share capital of the Company, such member or members shall, acting together, be entitled to nominate one person as a director of the Company and remove and replace such a person.

16. A person nominated as a Director pursuant to Article 15 hereof shall be paid such fee as may be agreed between him and the Company or, failing agreement, such reasonable amount as may be determined by the Agency Group.
17. Any nomination, removal or replacement of a person as a Director pursuant to Article 15 shall take effect forthwith upon written notice thereof being left at the Registered Office of the Company.
18. A Director may appoint another Director who is willing to accept such office as his Alternate Director. In such event the Alternate Director shall have a vote at any meeting of the Directors at which the Director appointing him is not personally present. Any such appointment shall be subject to the approval of the Board of Directors. Nothing in this Article shall prevent a Director so appointed from receiving from the Company any remuneration to which he would normally be entitled in his capacity as Director.

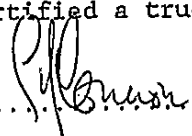
#### BORROWING AND OTHER POWERS

19. Subject as hereinafter provided the Directors may exercise all the power of the Company (whether express or implied):-
  - (a) of borrowing or securing the payment of money;
  - (b) of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and
  - (c) of mortgaging or charging the property assets and uncalled capital of the Company and issuing debentures.

#### GENERAL MEETINGS

20. For a general meeting a quorum shall be two members personally present and between them holding or representing not less than 50% in number of the issued shares of the Company for the time being. No business shall be transacted at a general meeting unless such quorum be present.

Certified a true copy

.......... Director