

COMPANY NUMBER SC156118
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

OF

HEBRIDEAN AIR SERVICES LIMITED (Company)

31 AUGUST 2016 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as special resolutions (**Resolutions**).

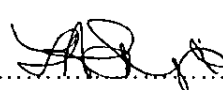
SPECIAL RESOLUTIONS

1. THAT the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
2. THAT the Articles of Association in the form attached be and are hereby adopted as the new Articles of Association of the Company in lieu of and to the exclusion of the existing Articles of Association.

AGREEMENT

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

The undersigned, being the members entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agree to the Resolutions:

Signed by Julie Simper for 
AIRTASK GROUP LIMITED as
Attorney for **GEORGE CORMACK**
pursuant to a power of attorney
dated 31 August 2016

Date: 31 AUGUST 2016



S6F08F01
SCT 07/09/2016 #9
COMPANIES HOUSE

NOTES

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

By hand or post: delivering the signed copy to The Directors, Hebridean Air Services Limited, Cumbernauld Airport, Duncan McIntosh Road, Cumbernauld, Glasgow G68 0HH; or

By e-mail: by attaching a scanned copy of the signed document to an e-mail and sending it to julie.simper@directflight.co.uk. Please enter "Written Resolutions" in the e-mail subject box.

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

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless sufficient agreement has been received within 28 days of the Circulation Date for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us during the specified period. For the avoidance of doubt, the 28 day period includes the Circulation Date itself and the 28th day.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

HEBRIDEAN AIR SERVICES LIMITED

1. **INTERPRETATION AND MODEL ARTICLES**

- 1.1 The Regulations contained in The Companies (Model Articles) Regulations 2008 (SI 2008/3229) (such Regulations being hereinafter called "the Model Articles") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

- 1.2 In these Articles unless the context otherwise requires:-

the Act: means the Companies Act 2006, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any further statutory modification or re-enactment of that provision for the time being in force.

Conflict: has the meaning given in Article 8;

eligible director: means a director who would be entitled to vote on the matter and be counted as part of the quorum at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

The following provisions of the Model Articles shall not apply to the Company – 9(2), 11(2) and (3), 14(1), (2), (3) and (4), 17(2), 21, and 53.



1.3 Article 7 of the Model Articles shall be amended by:

1.3.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and

1.3.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

1.4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".

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

1.6 The definition of "Subsidiary" in the Model Articles shall be amended by the addition of the following words "and a company shall be treated, for the purpose only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee."

2. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum or minimum number.

3. QUORUM FOR DIRECTORS' MEETINGS

3.1 Unless the Company has only one director and subject to article 3.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.

3.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 3 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

3.3 If the total number of eligible directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

3.3.1 to appoint further directors; or

3.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

4. OVERRIDING PROVISIONS

4.1 Any member holding, or any members together holding, shares carrying not less than 90 per cent of the votes which may for the time being be cast at a general meeting of the Company may at any time and from time to time:

- 4.1.1 appoint any person to be a Director (whether to fill a vacancy or as an additional Director);
- 4.1.2 remove from office any Director howsoever appointed but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- 4.1.3 by notice to the Company require that no unissued shares shall be issued or agreed to be issued or put under option without the consent of such member or members;
- 4.1.4 restrict any or all powers of the Directors in such respects and to such extent as such member or members may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed by the member or members. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of such member or members has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.

To the extent of any inconsistency this Article shall have overriding effect as against all other provisions of these Articles.

5. **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

5.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- 5.1.1 exercise that director's powers; and
- 5.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

5.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

5.3 The notice must:

5.3.1 identify the proposed alternate; and

5.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

6. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

6.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

6.2 Except as the Articles specify otherwise, alternate directors:

6.2.1 are deemed for all purposes to be directors;

6.2.2 are liable for their own acts and omissions;

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

6.2.4 are not deemed to be agents of or for their appointors

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

6.3 A person who is an alternate director but not a director:

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

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

6.3.3 shall not be counted as more than one director for the purposes of articles 6.3.1 and 6.3.2.

6.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote

on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one eligible director for the purposes of determining whether a quorum is present.

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

7. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

- 7.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 7.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 7.1.3 on the death of the alternate's appointor; or
- 7.1.4 when the alternate's appointor's appointment as a director terminates.

8. DIRECTORS' CONFLICTS OF INTEREST

- 8.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 8.2 Any authorisation under this article will be effective only if:
- 8.2.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors 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;
 - 8.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
 - 8.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

8.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

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

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

8.3.3 be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

8.4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

8.4.1 disclose such information to the directors or to any director or other officer or employee of the company; or

8.4.2 use or apply any such information in performing his duties as a director,

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

8.5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:

8.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;

8.5.2 is not given any documents or other information relating to the Conflict; and

8.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

8.6 Where the directors authorise a Conflict:

8.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and

8.6.2 the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.

8.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9. CONFIDENTIAL INFORMATION

9.1 Subject to Article 8, if a director otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:-

9.1.1 to disclose such information to the Company or to the directors, or to any director, officer or employee of the Company; or

9.1.2 otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.

10. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

10.1.1 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;

10.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;

10.1.3 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 contract or proposed contract in which he is interested;

- 10.1.4 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;
- 10.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in by share ownership or right to acquire shares, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 10.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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.

11. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

12. INDEMNITY

- 12.1 Subject to the provisions of, and so far as may be permitted by and consistent with the Act, every Director and officer of the Company and of each of the Associated Companies of the Company shall be indemnified by the Company out of its own funds against:

- 12.1.1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company other than:

- (i) any liability to the Company or any Associated Company; and
- (ii) any liability of the kind referred to in Section 234(3) of the Act; and

- 12.1.2 any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

- 12.2 Subject to the Act the Company may indemnify a Director of the Company and any Associated Company of the Company if it is the trustee of an occupational pension scheme (within the meaning of Section 235(6) of the Act).
- 12.3 Where a Director or officer is indemnified against any liability in accordance with this Article 12, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.
- 12.4 In this Article "Associated Company" shall have the meaning given thereto by Section 256 of the Act.

13. INSURANCE

- 13.1 Without prejudice to Article 12 above, the Directors shall have power to purchase and maintain insurance for or for the benefit of (i) any person who is or was at any time a Director or officer of any Relevant Company (as defined in Article 13.2 below), or (ii) any person who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by or attaching to him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme (and all costs, charges, losses, expenses and liabilities incurred by him in relation thereto).
- 13.2 For the purpose of Article 13.1 above "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

14. DEFENCE FUNDING

- 14.1 Subject to the provisions of and so far as may be permitted by the Act, the Company:
- 14.1.1 may provide a Director or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company of the

Company or in connection with any application for relief under the provisions mentioned in Section 205(5) of the Act; and

- 14.1.2 may do anything to enable any such Director or officer to void incurring such expenditure.
- 14.2 The terms set out in Section 205(2) of the Act shall apply to any provision of funds or other things done under Article 14.1.
- 14.3 Subject to the provisions of and so far as may be permitted by the Act, the Company:
 - 14.3.1 may provide a Director or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company; and
 - 14.3.2 may do anything to enable any such Director or officer to avoid incurring such expenditure.
- 14.4 In this Article 14 "Associated Company" shall have the meaning given thereto by Section 256 of the Act.