

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
DIRECT LETTINGS (SCOTLAND) LIMITED
(registered number SC175211)

(as adopted by Special Resolution passed on 12/5/21)

Thorntons[▲]



THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

DIRECT LETTINGS (SCOTLAND) LIMITED

(the "**Company**")

1. **Interpretation and Defined Terms**

1.1 In these Articles, unless the context requires otherwise:-

"**Act**" means the Companies Act 2006;

"**Alternate Director**" has the meaning given in article 23;

"**Appointor**" has the meaning given in article 23;

"**Articles**" means the Company's articles of association as set out herein and the relevant model articles are excluded;

"**A Ordinary Share**" means an A ordinary share of £0.0004 each in the capital of the Company;

"**B Ordinary Share**" means a B ordinary share of £0.0004 each in the capital of the Company;

"**Bad Leaver**" means an Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver;

"**Bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

"**Business Day**" means any day other than a Saturday, Sunday or public holiday in Scotland;

"**Capitalised Sum**" has the meaning given in article 47;

"**Chairman**" has the meaning given in article 12;

"**Chairman of the Meeting**" has the meaning given in article 50;

"**Change of Control**" means the acquisition by a person who is not a Shareholder or Family Member of a Shareholder (a "**Third Party Purchaser**") of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him, would hold more than 70% of the Shares;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

"Deemed Transfer Notice" has the meaning given in article 34;

"Departing Employee Shareholder" means an Employee Shareholder who ceases to be a director or employee of, or a consultant to, the Company;

"Director" means a Director of the Company, and includes any person occupying the position of Director, by whatever name called;

"Distribution Recipient" has the meaning given in article 42;

"Document" includes, unless otherwise specified, any document sent or supplied in Electronic Form;

"Electronic Form" has the meaning given in section 1168 of the Act;

"Eligible Director" means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);

"Employee Shareholder" means Mr Brian William Philip, c/o 5-6 Melville Street, Edinburgh, EH3 7PR;

"ERA" means the Employment Rights Act 1996;

"Expert" means an advocate (qualified in Scotland) of at least ten years standing with appropriate and relevant commercial legal expertise, the identity of whom has been agreed in writing by the Company and the Employee Shareholder. If the Company and the Employee Shareholder fail to agree on the identity of the Expert or the terms of his engagement within 10 Business Days of either party serving details of a suggested Expert on the other, the Expert shall be nominated by and engaged on such terms as may be specified by the President for the time being of the Law Society of Scotland;

"Fully Paid" in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been Paid to the Company;

"Good Leaver" means:-

- (a) an Employee Shareholder who becomes a Departing Employee Shareholder by reason of: (i) death; or (ii) permanent incapacity due to ill health or disability which renders such person, in the opinion of the Directors, incapable of exercising his position of employment or directorship; or (iii) retirement on or after 1 December 2019; or (iv) dismissal by the Company which is determined by the Expert, having reviewed (and if appropriate heard) the evidence and having heard representation by the parties, to be a dismissal that would, if the Employee Shareholder did not have employee shareholder status pursuant to section 205A of the ERA, be unfair in terms of Section 98 of the ERA, except in circumstances where the dismissal would have been unfair on the grounds of the Company's failure to follow a fair procedure but, on the balance of probabilities, would have been fair had a fair procedure been followed by the Company; or (v) dismissal by the Company which is determined by the Expert, having reviewed (and if appropriate heard) the evidence and having heard representation by the parties, to be a dismissal by reason of redundancy in terms of Section 139 of

the ERA; or

- (b) an Employee Shareholder who becomes a Departing Employee Shareholder and is determined by a unanimous decision of the Directors to be a Good Leaver;

"Hard Copy Form" has the meaning given in section 1168 of the Act;

"Holder" in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

"Issue Price" means in respect of a share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value of such share at the time it was issued;

"Market Value" has the meaning given in article 33.3;

"Offer Notice" has the meaning given in article 33.8;

"Ordinary Resolution" has the meaning given in section 282 of the Act;

"Paid" means paid or credited as paid;

"Persons Entitled" has the meaning given in article 47;

"Proceeds of Sale" has the meaning given in article 33.12

"Proxy Notice" has the meaning given in article 56;

"Purchaser" has the meaning given in article 33.11;

"relevant Director" means any Director or former Director of the Company or an associated Company;

"Relevant Loss" has the meaning given in article 64;

"Sale Notice" has the meaning given in article 33.11;

"Sale Price" has the meaning given in article 33.3;

"Sale Shares" has the meaning given in article 33.2.2(i);

"Shareholder" means a person who is the Holder of a Share;

"Shares" means the A Ordinary Shares and the B Ordinary Shares;

"Special Resolution" has the meaning given in section 283 of the Act;

"Subsidiary" has the meaning given in section 1159 of the Act;

"Total Transfer Condition" has the meaning given in article 33.2.2(iv)

"Transfer Event" has the meaning given in article 34.1;

"Transfer Notice" has the meaning given in article 33.2.1;

"Transferor" has the meaning given in article 33.2.1;

"Transmittee" means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law;

"Valuers" means the Company's auditors or accountants where the Company has not appointed auditors;

"Writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.
- 1.3 These Articles apply to the Company and the relevant model articles contained in the Companies (Model Articles) Regulations 2008 are excluded.
- 1.4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of (i) any subordinate legislation from time to time made under it, and (ii) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. Liability of Shareholders

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

3. Directors' General Authority

Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4. Shareholders' Reserve Power

- 4.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.
- 4.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

5. Directors May Delegate

- 5.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles:
 - 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;

5.1.4 in relation to such matters or territories; and

5.1.5 on such terms and conditions;

as they think fit.

5.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

5.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

6. Committees

6.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.

6.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

7. Directors to take Decisions Collectively

7.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

7.2 If:-

7.2.1 the Company only has one Director; and

7.2.2 no provision of these Articles requires it to have more than one Director,

the general rule does not apply, and the Director may (for so long as he or she remains the sole Director) take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making.

8. Unanimous Decisions

8.1 A decision of the Directors is taken in accordance with this article when all Eligible Directors indicate to each other, by any means, that they agree with a decision or a proposed decision on a matter.

8.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in Writing.

8.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

9. Calling a Directors' Meeting

9.1 Any Director may call a Directors' meeting by giving not less than 5 Business Days' notice of the meeting or such lesser notice as all the Directors may agree to the Directors or by authorising the Company secretary (if any) to give such notice

9.2 Notice of any Directors' meeting must indicate:-

- 9.2.1 its proposed date and time;
 - 9.2.2 where it is to take place; and
 - 9.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 9.3 Notice of a Directors' meeting must be given to each Director as nearly as practicable at the same time, and shall be given in writing.
- 9.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 10. Participation in Directors' Meetings**
- 10.1 Subject to these Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:-
- 10.1.1 the meeting has been called and takes place in accordance with these Articles; and
 - 10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 10.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 11. Quorum for Directors' Meetings**
- 11.1 Subject to Article 11.4, at a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2 Subject to Article 11.3, the quorum for the transaction of business at a meeting of Directors shall be two.
- 11.3 Where the Company has a sole Director or only one Director is eligible to be counted in the quorum and vote on a matter, the quorum is one.
- 11.4 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Directors present will constitute a quorum.
- 12. Chairing of Directors' Meetings**
- 12.1 If there is more than one Director in office the Directors may appoint a Director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the Chairman.

- 12.3 The Directors may terminate the Chairman's appointment at any time.
- 12.4 If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.
- 12.5 If there is more than one Director and the numbers of votes for and against a proposal at a Directors meeting are equal, the Chairman shall not have a casting vote.

13. Board Deadlock

If there is more than one Director and the numbers of votes for and against a proposal at a Directors meeting are equal, the Directors must call a general meeting or propose a resolution so as to enable the Shareholders to consider and resolve the matter in question by Special Resolution.

14. Transactions or other arrangements with the Company

- 14.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he/she has declared the nature and extent of his/her interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:-
- 14.1.1 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;
- 14.1.2 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/she is interested;
- 14.1.3 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/she is interested;
- 14.1.4 may act by himself/herself or his/her firm in a professional capacity for the Company (otherwise than as auditor) and he/she or his/her firm shall be entitled to remuneration for professional services as if he/she were not a Director;
- 14.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 14.1.6 shall not, save as he/she may otherwise agree, be accountable to the Company for any benefit which he/she (or a person connected with him/her (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/her duty under section 176 of the Act.

- 14.2 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 14.3 Subject to Article 14.4, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.
- 14.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

15. Directors' Conflict of Interest

The Directors may, in accordance with the Act, 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 a conflict of interest.

16. Provided either the provisions of article 15 apply or the Directors have authorised any conflict arising in relation to the matter in accordance with the Act a Director shall be entitled to vote and to be counted in the quorum at a meeting of the Directors or of any committee of Directors on any resolution concerning a matter on which he/she has, directly or indirectly, an interest or duty which conflicts or may conflict with the interests of the Company.

17. Records of Decisions to be kept

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors. Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent Hard Copy Form.

18. Directors' Discretion to make further rules

Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

19. Methods of Appointing Directors

- 19.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:-
- 19.1.1 by Special Resolution; or
- 19.1.2 by a decision of the Directors.
- 19.2 In any case where, as a result of death or Bankruptcy, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died or to have a Bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a person to be a Director.

- 19.3 For the purposes of paragraph 19.2, where two or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

20. Termination of Director's Appointment

- 20.1 A person ceases to be a Director as soon as:-

20.1.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;

20.1.2 a Bankruptcy order is made against that person;

20.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

20.1.4 a registered medical practitioner gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;

20.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; and

20.1.6 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.

21. Directors' Remuneration

- 21.1 Directors may undertake any services for the Company that the Directors decide.

- 21.2 Directors are entitled to such remuneration as the Company may by Special Resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

- 21.3 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

22. Directors' Expenses

- 22.1 The Company may pay any reasonable expenses which the Directors (including any Alternate Directors) properly incur in connection with their attendance at:-

22.1.1 meetings of Directors or committees of Directors;

22.1.2 general meetings; or

22.1.3 separate meetings of the Holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

23. Appointment and Removal of Alternate Directors

23.1 Any Director (the "**Appointor**") may appoint as an Alternate Director any other Director, or any other person approved by resolution of the Directors, to:-

23.1.1 exercise that Director's power; and

23.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate Director's Appointor.

23.2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

23.2 The notice must (a) identify the proposed Alternate Director and (b) in the case of a notice of appointment, contain a statement signed by the proposed Alternate Director that the proposed Alternate Director is willing to act as the Alternate Director of the Director giving the notice.

24. Rights and Responsibilities of Alternate Directors

24.1 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.

24.2 Except as these Articles specify otherwise, Alternate Directors:-

24.2.1 are deemed for all purposes to be Directors;

24.2.2 are liable for their own acts and omissions;

24.2.3 are subject to the same restrictions as their Appointors; and

24.2.4 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/her Appointor is a member.

24.3 A person who is an Alternate Director but not a Director:-

24.3.1 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); and

24.3.2 may participate in a unanimous decision of the Directors (but only if his/her Appointor is an Eligible Director in relation to that decision, but does not participate).

24.4 A Director who is also an Alternate Director is entitled, in the absence of his/her Appointor, to a separate vote on behalf of his/her Appointor, in addition to his/her own vote on any decision of the Directors (provided that his/her Appointor is an Eligible Director in relation to that decision).

24.5 An Alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his/her 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 Director's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

25. Termination of Alternate Directorship

25.1 An Alternate Director's appointment as an Alternate Director terminates:-

25.1.1 when the Alternate Director's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

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

25.1.3 on the death of the Alternate Director's Appointor; or

25.1.4 when the Alternate Director's Appointor's appointment as a Director terminates.

26. All Shares to be Fully Paid Up

26.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be Paid to the Company in consideration for its issue.

26.2 The requirement that all Shares be Fully Paid up does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

26.3 Except as otherwise provided in these Articles, the A Ordinary Shares and the B Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

27. Powers to Issue Different Classes of Shares

27.1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by Special Resolution.

27.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares.

28. Company Not Bound by Less than Absolute Interests

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the Holder's absolute ownership of it and all the rights attaching to it.

29. Share Certificates

29.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

29.2 Every certificate must specify:-

29.2.1 in respect of how many Shares, of what class, it is issued;

- 29.2.2 the nominal value of those Shares;
- 29.2.3 that the Shares are Fully Paid; and
- 29.2.4 any distinguishing numbers assigned to them.
- 29.3 No certificate may be issued in respect of Shares of more than one class.
- 29.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 29.5 Certificates must:-
 - 29.5.1 have affixed to them the Company's common seal; or
 - 29.5.2 be otherwise executed in accordance with the Companies Acts.
- 29.6 If a certificate issued in respect of a Shareholder's Shares is:-
 - 29.6.1 damaged or defaced; or
 - 29.6.2 said to be lost, stolen or destroyed,that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 29.7 A Shareholder exercising the right to be issued with such a replacement certificate:-
 - 29.7.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 29.7.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 29.7.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.
- 30. **Share Transfers: General**
 - 30.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the Transferor.
 - 30.2 No fee may be charged for registering any instrument of transfer or other Document relating to or affecting the title to any Share.
 - 30.3 The Company may retain any instrument of transfer which is registered.
 - 30.4 The Transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.
 - 30.5 The Directors may refuse to register the transfer of a Share and, if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal (which must contain the reasons for the refusal) unless they suspect that the proposed transfer may be fraudulent.

30.6 Notwithstanding any other provision of these Articles, the Directors must not register a transfer of any Share or any interest in any Share to any minor, undischarged bankrupt, trustee in Bankruptcy or person of unsound mind.

30.7 Any purported transfer of Shares which is not made pursuant to these Articles shall be of no effect, shall be deemed never to have been made and shall not be registered by the Directors.

31. Directors' Powers on Transfer of Shares

31.1 The Directors must not register the transfer of any Share or any interest in any Share unless the transfer:

31.1.1 is permitted by article 32; or

31.1.2 is made in accordance with article 33, article 34, article 35 or article 36.

31.2 The Directors may at any time require any Shareholder or any person named as transferee in an instrument of transfer lodged for registration to give the Directors such information and evidence as the Directors believe is relevant to ensure that a transfer of Shares is being made in accordance with these Articles or that no circumstances have arisen which would result in a Transfer Notice being bound to be given or being deemed to have been given.

31.3 If the Directors are not given such information or evidence within 20 days after they have requested it, the Directors may in their absolute discretion give notice of refusal to register the transfer concerned together with reasons for the refusal to the person named as transferee or require the Shareholder by written notice to give a Transfer Notice in respect of the relevant Shares. If the information or evidence received by the Directors discloses to their satisfaction that a Shareholder may be bound to give, or is deemed to have given a Transfer Notice, the Directors may in their absolute discretion by written notice to the relevant Shareholder require that a Transfer Notice be given in respect of the relevant Shares.

31.4 An obligation to transfer a Share under these Articles is an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or encumbrance.

32. Permitted Transfers

32.1 Notwithstanding the terms of Article 33, a Shareholder who is not an Employee Shareholder may transfer Shares to any person without the prior written consent of the Employee Shareholders.

33. Pre-emptive Transfers

33.1 Unless the transfer is permitted by article 32 or required by or made under article 34 or made pursuant to article 35 or article 36 a Shareholder or person entitled to a Share by transmission is prohibited from transferring or disposing of or agreeing to transfer or dispose of or grant any interest or right in any Share to any person unless such Shares have been offered for sale to the other Shareholders in accordance with this article 33.

- 33.2 The offer referred to in article 33.1 must be effected as follows:
- 33.2.1 the Shareholder wishing to sell the Shares (the "**Transferor**") must serve notice in writing on the Company that he/she wishes to sell Shares (a "**Transfer Notice**");
- 33.2.2 the Transfer Notice must:
- (i) specify the number and class of Shares offered (the "**Sale Shares**");
 - (ii) specify the identity of any proposed transferee;
 - (iii) contain any other terms relating to the proposed sale;
 - (iv) state whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the provisions of this article (a "**Total Transfer Condition**"), but shall not contain or be deemed to contain a Total Transfer Condition unless that is both expressly stated and is permitted by these Articles;
 - (v) relate to one class of Share only;
 - (vi) appoint the Company as the agent of the Transferor for the sale of the Sale Shares on the terms of this article; and
 - (vii) save as provided in article 33.8, be irrevocable.
- 33.3 The Sale Shares shall be offered for purchase at a price per Sale Share (the "**Sale Price**") agreed between the Transferor and the Directors. If they cannot agree such price by the end of the 14th day after the date of service of the Transfer Notice, the Directors must instruct the Valuers to determine the Market Value of each Sale Share in accordance with article 33.4 (the "**Market Value**") as at the date of service of the Transfer Notice. The price per Sale Share agreed between the Transferor and the Directors or the Market Value per Sale Share determined by the Valuers shall be the "Sale Price" of each Sale Share.
- 33.4 If instructed by the Directors to report on Market Value, the Valuers shall:
- 33.4.1 value each of the Sale Shares as a proportion of the total value of all of the issued Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and on the basis of there being an arms length sale between a willing seller and a willing buyer;
- 33.4.2 act as expert and not as arbiter and their written determination shall be final and binding on the Shareholders (except in the case of manifest error); and
- 33.4.3 be entitled in their absolute discretion to appoint legal or other professional advisers to advise on the interpretation and effect of any records or Documents provided to it for the purposes of determining the Market Value.
- 33.5 The Company must use its reasonable endeavours to procure that the Valuers deliver their report on the Market Value to the Directors and to the Transferor within 28 days of being requested to do so.

- 33.6 One half of the Valuers' fees for reporting on Market Value must be paid by the Transferor and the other half must be paid by the purchasers *pro rata* to the number of Sale Shares purchased by them unless:
- 33.6.1 the Transferor revokes the Transfer Notice pursuant to article 33.7; or
- 33.6.2 none of the Sale Shares are purchased by the Shareholders pursuant to this article 33,
- when the Transferor shall pay all the Valuer's fees.
- 33.7 If the Transferor doesn't agree with the Market Value determined and reported by the Valuers, the Transferor may revoke the Transfer Notice by giving written notice to the Directors within the period of seven days after the date the Directors deliver the Valuers' report on Market Value to the Transferor.
- 33.8 Within seven days after the Sale Price has been agreed or determined, the Directors must give written notice (the "**Offer Notice**") to the Shareholders (other than the Transferor and any other person who has served a Transfer Notice or been deemed to have served a Transfer Notice) of:
- 33.8.1 the Sale Price;
- 33.8.2 the other information set out in the Transfer Notice; and
- 33.8.3 unless the Transfer Notice is deemed to be given as provided in these Articles, the identity of any proposed transferee,
- and it must invite each such Shareholder to state by written notice to the Company within 14 days whether he/she is willing to purchase any of the Sale Shares and, if so, the maximum number of Sale Shares he/she is willing to purchase.
- 33.9 The Sale Shares must be offered in the first instance to Shareholders who hold Shares of the same class as the Sale Shares and to the extent not accepted by those Shareholders, to Shareholders holding Shares of other classes (but no Shares shall be treated as offered to the Transferor or any other Shareholder who is then bound to give, has given or is deemed to have given a Transfer Notice).
- 33.10 After the expiry date of the Offer Notice (or earlier if valid applications have been received for all the Sale Shares offered prior to such expiry date), the Directors must allocate the Sale Shares to or amongst the Shareholders in accordance with the applications received. If:
- 33.10.1 there are applications from any class of Shareholders for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to those Shareholders in proportion (as nearly as possible but without allocating to any Shareholder more Sale Shares than the maximum number applied for by him) to the number of Shares of the class which entitles them to receive such offer then held by them respectively;
- 33.10.2 if it is not possible to allocate any of the Sale Shares without involving fractions, those Shares shall be allocated amongst the Shareholders of each class in such manner as the Directors think fit; and
- 33.10.3 if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

- 33.11 Within seven days of the expiry date of the last Offer Notice, the Directors must give notice in writing (a "**Sale Notice**") to the Transferor and to each Shareholder to whom Sale Shares have been allocated (each a "**Purchaser**") specifying:
- 33.11.1 the name and address of each Purchaser;
 - 33.11.2 the number of Sale Shares agreed to be purchased by him; and
 - 33.11.3 the total price payable for the Sale Shares.
- 33.12 Each Purchaser must no later than seven days after such allocation pay to the Transferor the total sale proceeds for the transfer of the relevant Sale Shares to him/her at the price per Share equal to the Sale Price (the "**Proceeds of Sale**") and upon payment of such sum, the Transferor must deliver to the Company the documents required to transfer the Sale Shares to the Purchaser and the Directors must register such transfer (subject to stamping) and deliver the relevant Share certificate to the relevant Purchaser.
- 33.13 If the Transferor does not transfer the Sale Shares when required pursuant to article 33.12;
- 33.13.1 the Directors may authorise any person (who shall be deemed to be irrevocably appointed as the agent and attorney of the Transferor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Transferor's behalf;
 - 33.13.2 the Company may receive the purchase money for such Sale Shares from the Purchaser and upon receipt (subject, if necessary, to the transfer being duly stamped) must register the Purchaser as the Holder of such Sale Shares;
 - 33.13.3 the Company must hold any purchase money paid to it in a separate bank account on trust for the Transferor but need not earn or pay interest on any money so held;
 - 33.13.4 the Company's receipt for such purchase money will be a good discharge to the Purchaser who is not required to see to the application of it; and
 - 33.13.5 after the name of the Purchaser has been entered in the register of Shareholders, the validity of the proceedings cannot be questioned by any person.
- 33.14 Where a Director is also the Transferor or has been appointed to the office of Director by the Transferor, the attendance of such Director at a meeting convened to vote on a matter which is the subject of Article 33 is not required for the meeting of the board of Directors to be quorate and such Director is not permitted to vote at such meeting of the board of Directors.
- 33.15 If the Company does not find a Purchaser or Purchasers for all or any of the Sale Shares pursuant to the foregoing provisions of this article 33, the Company shall have the power and the right (but not the obligation), within 30 days after the expiry date of the last Offer Notice and subject always to compliance with the requirements of the Act, to acquire, at the Sale Price, any such Sale Shares in respect of which a Purchaser or Purchasers has/have not been found.
- 33.16 In the event that the Company does not exercise its power to acquire Sale Shares following the 30 day notice period referred to in article 33.14 then the Transferor may sell the Sale Shares to a third party at a price which is not less than the Sale

Price, provided that it does so within 6 months of the expiry of the 30 day period referred to in article 33.14.

34. **Compulsory Transfers**

34.1 If:

34.1.1 a Shareholder is a body corporate and:

34.1.1.1 a receiver, manager or administrative receiver is appointed in respect of such member or over all or any part of its undertaking or its assets; or

34.1.1.2 such member enters into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction);

34.1.2 a Shareholder is an individual and:

34.1.3.1 a Bankruptcy order is made against him/her; or

34.1.3.2 by reason of his/her mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or

34.1.3 an Employee Shareholder becomes a Departing Employee Shareholder; or

34.1.4 a Shareholder does not give a Transfer Notice in respect of any Shares as such Shareholder is required to do so by these Articles;

the Directors may within the six months following the occurrence of the relevant event resolve that such event is a transfer event in relation to that Shareholder for the purposes of this article (a "**Transfer Event**").

34.2 If the Directors resolve that a Transfer Event has occurred, the Shareholder in respect of whom the Transfer Event has occurred and any other Shareholder who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) under article 32 shall be deemed to have immediately given a Transfer Notice (a "**Deemed Transfer Notice**") in respect of all such Shares then held by that Shareholder (including any Shares received by way of rights issue or on capitalisation).

34.3 A Deemed Transfer Notice supersedes and cancels any then current Transfer Notice if it relates to some or all of the Shares referred to in the Transfer Notice except for Shares which have been validly transferred pursuant to that Transfer Notice.

34.4 Notwithstanding any other provision of these Articles, if the Directors so decide, any Shareholder who holds Shares which are subject to a Deemed Transfer Notice must not, from the date of the relevant Deemed Transfer Notice until the date of entry in the register of Shareholders of the Company of another person as the Holder of those Shares, exercise any voting rights at general meetings of the Company in respect of those Shares.

34.5 Shares which are the subject of a Deemed Transfer Notice must be offered for sale in accordance with article 33 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Transferor the Shareholder who is deemed to have given the Deemed Transfer Notice save that:

34.5.1 the Sale Price in respect of the Sale Shares shall be:

34.5.1.1 where the Departing Employee Shareholder is a Bad Leaver, the lesser of their Market Value and the Issue Price;

34.5.1.2 where the Departing Employee Shareholder is a Good Leaver, the price per share agreed between the Transferor and the Directors, or, failing such agreement on the Sale Price, the Market Value;

34.5.1.3 in all other circumstances, the price per share agreed between the Transferor and the Directors, or, failing such agreement on the Sale Price, the Market Value;

34.5.2 a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable;

34.5.3 the Transferor may retain any Sale Shares for which Purchasers are not found and which the Company does not purchase pursuant to article 33.14;

34.5.4 the Sale Shares must be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date; and

34.5.5 the Purchaser or Purchasers of any Shares pursuant to this article 34 shall procure that any personal guarantee or security granted by the Transferor for the indebtedness of the Company shall be released or discharged on the date of completion of such purchase.

34.6 Once a Deemed Transfer Notice is deemed to have been served then no permitted transfer under article 32 may be made in respect of any Share which is the subject of a Deemed Transfer Notice.

35. **Drag Along**

35.1 If any one or more Shareholder (together the "**Selling Shareholders**") are able to transfer all their Shares (the "**Relevant Shares**") pursuant to article 33.16 which would result in a Change of Control, the Selling Shareholders will have the option (the "**Drag Option**") to require all the other Holders of Shares to transfer all their Shares free from all liens, charges and encumbrances to the Third Party Purchaser or as the Third Party Purchaser directs in accordance with this article 35.

35.2 The Selling Shareholders may exercise the Drag Option by giving notice to that effect (a "**Drag Notice**") to all other Shareholders (the "**Dragged Shareholders**") at any time before the registration of the transfer of Shares resulting in the Change of Control. A Drag Notice must specify that the Dragged Shareholders are required to transfer all their Shares (the "**Dragged Shares**") pursuant to article 35.1 to the Third Party Purchaser, the price at which the Dragged Shares are to be transferred (determined in accordance with article 35.4), the proposed date of transfer and the identity of the Third Party Purchaser.

35.3 A Drag Notice is irrevocable but the Drag Notice and all obligations thereunder will lapse if for any reason there is not a Change of Control caused by a transfer of

Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Drag Notice.

- 35.4 The Dragged Shareholders are obliged to sell the Dragged Shares at the price specified in the Drag Notice which will attribute an equal value to all Shares (including the Relevant Shares).
- 35.5 Completion of the sale of the Dragged Shares must take place on the same date as the date proposed for completion of the sale of the Relevant Shares unless:
 - 35.5.1 all of the Dragged Shareholders and the Selling Shareholders agree otherwise; or
 - 35.5.2 that date is less than seven days after the date of the Drag Notice, when it will be deferred until the seventh day after the date of the Drag Notice.
- 35.6 Each of the Dragged Shareholders will on service of the Drag Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his agent and attorney to execute any stock transfer and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Dragged Shares pursuant to this article 35.
- 35.7 Any Transfer Notice or Deemed Transfer Notice served in respect of any Shares will automatically be revoked by the service of a Drag Notice.

36. **Tag Along**

- 36.1 Subject always to articles 33 and 35, no sale or transfer or other disposition of any interest in any Share (the "**Specified Shares**") will have any effect if it would result in a Change of Control unless before the transfer is lodged for registration the Third Party Purchaser has made a bona fide offer in accordance with these Articles to purchase at the Tag Along Price (defined in article 36.3), all the Shares held by Shareholders who are not acting in concert or otherwise connected with the Third Party Purchaser (the "**Uncommitted Shares**").
- 36.2 An offer made under article 36.1 must be in writing, given in accordance with article 59 and be open for acceptance for at least 14 days, and will be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder must be settled in full on completion of the purchase and within 30 days of the date of the offer.
- 36.3 For the purposes of this article 36:
 - 36.3.1 the expression "**transfer**", "**Transferor**" and "**Transferee**" include respectively the renunciation of a renounceable letter of allotment, and any renouncer and renounce of such letter of allotment; and
 - 36.3.2 the expression "**Tag Along Price**" means a price per share at least equal to the highest price Paid or payable by the Third Party Purchaser or persons acting in concert with him or connected with him for any Shares within the last six months (including to avoid doubt the Specified Shares) 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, provided always that an equal value shall be attributed to all Shares including the Specified Shares.

36.4 If any part of the Tag Along Price is payable otherwise than in cash any Shareholder may require, as a condition of his/her acceptance of the offer, to receive in cash on transfer all or any of the price offered for his/her Uncommitted Shares. For the avoidance of doubt, if any part of the Tag Along Price comprises deferred cash consideration, a Shareholder exercising his/her rights under this article 36 shall not have any right to receive such deferred cash consideration earlier than the Holder(s) of the Specified Shares are entitled to receive the deferred cash consideration to which they are entitled.

36.5 If the Tag Along Price or its cash equivalent cannot be agreed between the Third Party Purchaser and the Holders of 75% or more of the Uncommitted Shares within 14 days of the proposed sale or transfer referred to in article 36.1 it may be referred to the Valuers by any Shareholder and, pending its determination, the sale or transfer referred to in article 36.1 will have no effect.

37. Transmission of Shares

37.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.

37.2 A Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require:

37.2.1 may, subject always to the Articles, within 28 days of written notice to that effect, choose either to become the Holder of those Shares or to have them transferred to another person (and if no choice is made by the Transmitttee, he/she shall be deemed to have elected to become the Holder of those Shares); and

37.2.2 subject always to the Articles, pending any transfer of the Shares to another person, has the same rights as the Holder had save that the Transmitttee does not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which he/she is entitled, by reason of the Holder's death or Bankruptcy or otherwise, unless he/she becomes the Holder of those Shares.

38. Transmitttees' Rights and Obligations

38.1 Transmitttees who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.

38.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must (subject always to the other provisions of these Articles) execute an instrument of transfer in respect of it.

39. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

40. If a notice is given to a Shareholder in respect of Shares and a Transmitttee is entitled to those Shares, the Transmitttee is bound by the notice if it was given to the Shareholder before the Transmitttee's name or the name of any person nominated under article 38.2 has been entered in the register of members.

41. **Procedure for Declaring Dividends**

- 41.1 The Company may by Special Resolution declare dividends, and the Directors may decide to pay interim dividends.
- 41.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 41.3 No dividend may be declared or Paid unless it is in accordance with Shareholders' respective rights.
- 41.4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be Paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 41.5 If the Company's Share capital is divided into different classes, no interim dividend may be Paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 41.6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 41.7 If the Directors act in good faith, they do not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

42. **Payment of Dividends and Other Distributions**

- 42.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be Paid by one or more of the following means:-
 - 42.1.1 transfer to a bank or building society account specified by the Distribution Recipient in writing;
 - 42.1.2 sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a Holder of the Share), or (in any other case) to an address specified by the Distribution Recipient in writing;
 - 42.1.3 sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
 - 42.1.4 any other means of payment as the Directors agree with the Distribution Recipient in writing.
- 42.2 In these Articles, the "**Distribution Recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable:-
 - 42.2.1 the Holder of the Share;
 - 42.2.2 if the Share has two or more joint Holders, whichever of them is named first in the register of members; or
 - 42.2.3 if the Holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittree.

43. No Interest on Distributions

43.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:-

43.1.1 the terms on which the Share was issued; or

43.1.2 the provisions of another agreement between the Holder of that Share and the Company.

44. Unclaimed Distributions

44.1 All dividends or other sums which are:-

44.1.1 payable in respect of Shares; and

44.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

44.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

44.3 If:-

44.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

44.3.2 the Distribution Recipient has not claimed it;

the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

45. Non-Cash Distributions

45.1 Subject to the terms of issue of the Share in question, the Company may, by Special Resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any Company).

45.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including:

45.2.1 fixing the value of any assets;

45.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and

45.2.3 vesting any assets in trustees.

46. Waiver of Distributions

46.1 Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect,

but if:-

46.1.1 the Share has more than one Holder; or

46.1.2 more than one person is entitled to the Share, whether by reason of the death or Bankruptcy of one or more joint Holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the Holders or persons otherwise entitled to the Share.

47. Authority to Capitalise and Appropriation of Capitalised Sums

47.1 Subject to these Articles, the Directors may, if they are so authorised by a Special Resolution:-

47.1.1. decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's Share premium account or capital redemption reserve; and

47.1.2 appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**Persons Entitled**") and in the same proportions.

47.2 Capitalised Sums must be applied:

47.2.2 on behalf of the Persons Entitled; and

47.2.3 in the same proportions as a dividend would have been distributed to them.

47.3 Any Capitalised Sum may be applied in paying up new Shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as Fully Paid to the Persons Entitled or as they may direct.

47.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as Fully Paid to the Persons Entitled or as they may direct.

47.5 Subject to these Articles the Directors may:-

47.5.2 apply Capitalised Sums in accordance with paragraphs 47.3 and 47.4 partly in one way and partly in another;

47.5.3 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

47.5.4 authorise any person to enter into an agreement with the Company on behalf of all the Persons Entitled which is binding on them in respect of the allotment of Shares and debentures to them under this article.

48. Attendance and Speaking at General Meetings

48.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the

meeting.

- 48.2 A person is able to exercise the right to vote at a general meeting when:
- 48.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 48.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 48.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 48.4 The Directors may make whatever arrangements they consider appropriate to enable a person entitled to attend a general meeting to attend it in a place other than the place specified in the notice of meeting. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other. A person attends a general meeting when the arrangements allow him to exercise his/her right to speak and vote.
- 48.5 A person who attends a general meeting at a place other than the place specified in the notice of meeting shall be entitled to be counted in the quorum.

49. Quorum for General Meetings

No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Shareholders representing a simple majority of the voting rights of Shareholders, present in person or by proxy or by a duly authorised representative, shall form a quorum.

50. Chairing General Meetings

- 50.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.
- 50.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-
- 50.2.1 the Directors present; or
 - 50.2.2 (if no Directors are present), the meeting,
- must appoint a Director or Shareholder to chair the meeting, and the appointment of the Chairman of the Meeting must be the first business of the meeting.
- 50.3 The person chairing a meeting in accordance with this article is referred to as the **"Chairman of the Meeting"**.

51. Attendance and Speaking by Directors and Non-Shareholders

- 51.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.
- 51.2 The Chairman of the Meeting may permit other persons who are not:-

51.2.1 Shareholders of the Company; or

51.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

52. Adjournment

52.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

52.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:

52.2.1 the meeting consents to an adjournment; or

52.2.2 it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

52.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting.

52.4 When adjourning a general meeting, the Chairman of the Meeting must:

52.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

52.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

52.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-

52.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

52.5.2 containing the same information which such notice is required to contain.

52.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

53. Voting: General

A resolution put to the vote of a general meeting must be decided on a show of hands and in accordance with the terms of the Articles, unless a poll is duly demanded in accordance with these Articles.

54. Errors and Disputes

54.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is

tendered, and every vote not disallowed at the meeting is valid.

- 54.2 Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

55. Poll Votes

- 55.1 A poll on a resolution may be demanded:-

55.1.1 in advance of the general meeting where it is to be put to the vote, or

55.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 55.2 A poll may be demanded at any general meeting by any qualified person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

- 55.3 A demand for a poll may be withdrawn if:-

55.3.1 the poll has not yet been taken; and

55.3.2 the Chairman of the Meeting consents to the withdrawal,

providing that a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

- 55.4 Polls must be taken at a time decided by the Chairman but in any event before the end of the meeting at which they are demanded and in such manner as the Chairman of the Meeting directs.

56. Content of Proxy Notices

- 56.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:-

56.1.1 states the name and address of the Shareholder appointing the proxy;

56.1.2 if it is not in respect of all the Shareholders' Shares in the Company, identifies the Shares to which the Proxy Notice relates;

56.1.3 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;

56.1.4 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

56.1.5 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

- 56.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

- 56.3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

- 56.4 Unless a Proxy Notice indicates otherwise, it must be treated as:-
- 56.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 56.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 56.5 To be valid a Proxy Notice must be received not later than:-
- 56.5.1 48 hours before the time for the holding of the meeting or adjourned meeting to which it relates;
 - 56.5.2 in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll; or
 - 56.5.3 in the case of a poll taken not more than 48 hours after it was demanded, the time at which it was demanded,

providing that in calculating any period specified in this Article, no account shall be taken of any part of a day that is not a working day.

57. Delivery of Proxy Notices

- 57.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person, and the vote of that person shall prevail over any vote tendered by the proxy.
- 57.2 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 57.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 57.4 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

58. Amendments of Resolutions

- 58.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:-
 - 58.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and
 - 58.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.
- 58.2 A Special Resolution to be proposed at a general meeting may not be amended unless:-

- 58.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed;
 - 58.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution; and
 - 58.2.3 the amendment is approved by an Ordinary Resolution.
- 58.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.
- 59. Means of Communication to be Used**
- 59.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 59.2 Subject to these Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.
- 59.3 A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 59.4 The Company is generally and unconditionally authorised to communicate in Electronic Form with its Shareholders and Directors. Accordingly, the Company may subject to the provisions of the Companies Acts give or send to any Shareholder or Director any notice or other Document (excluding a Share certificate) in Electronic Form.
- 59.5 The Company, the Shareholders and the Directors agree to communication in Electronic Form for sending copies of Documents to the Shareholders or Directors. Any communication will be sent in Electronic Form to such address (or to one of such addresses if more than one) as may for the time being be notified by the Shareholder or Director to the Company or by the Company to the Shareholder or Director, for that purpose.
- 59.6 Where a notice or other Document is given or sent in Electronic Form, it shall be deemed to have been given or sent at the expiration of four hours from the time it was sent to an address supplied by the Shareholder or Director or the Company.
- 60. Company Seals**
- 60.1 Any common seal may only be used by the authority of the Directors.
- 60.2 The Directors may decide by what means and in what form any common seal is to be used.
- 60.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a Document, the Document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 60.4 For the purposes of this article, an authorised person is:-

60.4.1 any Director of the Company;

60.4.2 the Company secretary (if any); or

60.4.3 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

61. Provision for Employees on Cessation of Business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

62. Indemnity

62.1 A relevant Director of the Company or an associated Company will be indemnified to the fullest extent permitted by law out of the Company's assets against:

62.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated Company;

60.1.2 any liability incurred by that Director in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and

60.1.3 any other liability incurred by that Director as an officer of the Company or an associated Company.

62.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

62.3 In this article, companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate; and

62.4 The provisions of this article are intended to be for the benefit of and directly enforceable by any relevant Director of the Company.

64. Insurance

64.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any Relevant Loss.

64.2 In this article:-

64.2.1 a "**Relevant Loss**" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company, any associated Company or any pension fund or employees' Share scheme of the Company or associated Company, and

64.2.2 companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate.

64.3 These Articles shall be governed by and construed in accordance with the law of Scotland and the Company, the members and the Directors irrevocably submit to the

exclusive jurisdiction of the Scottish Courts.