



SHEPHERD+ WEDDERBURN

Companies Acts 1985 to 2006

Private company limited by shares

## ARTICLES OF ASSOCIATION

### AIRCRAFT MEDICAL LIMITED

Company Number SC220767

Incorporated in Scotland on 29 June 2001

Adopted on 27 April 2011 as amended by special resolution on 23 November 2011<sup>1</sup>

*Certified as a true copy of the Articles of  
Association of Aircraft Medical Limited  
as amended by special resolution passed  
on 23 November 2011.*

*Alison J Williamson.*

<sup>1</sup> The amendments to these articles of association became effective on 28 November 2011

THURSDAY



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COMPANIES HOUSE

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Companies Acts 1985 to 2006  
Private Company Limited by Shares  
**ARTICLES OF ASSOCIATION**  
**AIRCRAFT MEDICAL LIMITED**

Adopted on 27 April 2011 as amended by special resolution on 23 November 2011<sup>2</sup>

**PART 1**  
**INTERPRETATION AND LIMITATION OF LIABILITY**

**1. Defined terms and interpretation**

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- 1.1 The regulations in The Companies (Model Articles) Regulations 2008 and any other articles or regulations that apply to companies under the Companies Acts shall not apply to the company and these articles alone shall constitute the regulations of the company.
- 1.2 In the articles, unless the context requires otherwise:
- |  |   |
|--|---|
| <b>"alternate" or "alternate director"</b> | has the meaning given in article 25   |
| <b>"appointor"</b>                         | has the meaning given in article 25   |
| <b>"articles"</b>                          | the company's articles of association   |
| <b>"bankruptcy"</b>                        | includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy |
| <b>"board"</b>                             | the board of directors  |
| <b>"chairman"</b>                          | has the meaning given in article 13   |
| <b>"chairman of the meeting"</b>           | has the meaning given in article 31   |
| <b>"Companies Acts"</b>                    | the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company                      |
| <b>"director"</b>                          | a director of the company, and includes any person occupying the position of director, by whatever name called                      |
| <b>"distribution recipient"</b>            | has the meaning given in article 52   |
| <b>"document"</b>                          | includes, unless otherwise specified, any document sent or supplied in electronic form  |
| <b>"fully paid"</b>                        | in relation to a share, means that the nominal value and any premium to be paid to the company in                                   |

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<sup>2</sup> The amendments to these articles of association became effective on 28 November 2011

	respect of that share have been paid to the company
<b>"Group"</b>	the company and its subsidiaries and subsidiary undertakings from time to time and <b>"Group member"</b> shall be construed accordingly
<b>"holder"</b>	in relation to shares means the person whose name is entered in the register of members as the holder of the shares and <b>"shareholder"</b> shall be construed accordingly
<b>"instrument"</b>	a document in hard copy form
<b>"member"</b>	has the meaning given in section 112 of the Companies Act 2006;
<b>"paid"</b>	paid or credited as paid
<b>"participate"</b>	in relation to a directors' meeting, has the meaning given in article 7
<b>"proxy notice"</b>	has the meaning given in article 37
<b>"Relevant Shareholder"</b>	a person (if any) holding not less than 20 per cent of the voting rights in the Company (within the meaning of section 1159 and paragraph 2 of Schedule 6) from time to time
<b>"shares"</b>	shares in the company
<b>"transmittee"</b>	a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law
<b>"writing"</b>	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

- 1.3 Article headings and the use of bold type in these articles are included for ease of reference only and shall not affect the construction or interpretation of these articles.
- 1.4 References to any gender include references to each other gender (including neuter) and references to the singular include the plural and vice versa.
- 1.5 Any phrase introduced by the term "include", "including", "in particular", "other" or any similar general term is not limited by any particular examples preceding or following those general terms.
- 1.6 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.
- 1.7 If there is any conflict between any of the provisions of parts 1 to 5 of these articles and the provisions of any subsequent part of these articles, the provisions set out in the subsequent parts of these articles shall take precedence over the provisions set out in parts 1 to 5 of these articles.
- 1.8 Where any of the provisions of these articles are stated to apply to an article referred to by its principal number only, those provisions shall apply (where relevant) to all and any articles designated by that number and a further number.

**2. Liability of members**

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

**PART 2****DIRECTORS****DIRECTORS' POWERS AND RESPONSIBILITIES****3. Directors' general authority**

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Subject to the 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. Members' reserve power**

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- 4.1 The members 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.
- 4.3 No alteration of the articles invalidates anything which the directors have done before such alteration.

**5. Directors may delegate**

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- 5.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the 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**

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- 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 the 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 the articles if they are not consistent with them.

## **PROCEDURES AT DIRECTORS' MEETINGS**

### **7. Participation in directors' meetings**

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- 7.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- 7.1.1 the meeting has been called and takes place in accordance with the articles; and
  - 7.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 7.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 7.3 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.

### **8. Calling a directors' meeting**

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- 8.1 Any director may call a directors' meeting by giving notice, or by authorising the company secretary (if any) to give notice (which notice need not be in writing) of the meeting to each director, and the notice must indicate:
- 8.1.1 the proposed date and time of the meeting;
  - 8.1.2 where the meeting is to take place; and
  - 8.1.3 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.
- 8.2 Notice of a directors' meeting need not be given to directors who are absent from the United Kingdom or waive their entitlement to notice of that meeting, by giving notice to that effect to the company. 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.

### **9. Directors to take decisions collectively**

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- 9.1 The general rule about decision-making by directors is that any decision of the directors must be either:
- 9.1.1 a majority decision at a meeting; or
  - 9.1.2 in the form of a directors' written resolution.
- 9.2 Subject to the articles, each director participating in a directors' meeting has one vote.

### **10. Proposing directors' written resolutions**

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Any director may propose a directors' written resolution by giving notice of the proposed resolution in writing to each director, and the notice must indicate:

- 10.1 the proposed resolution; and
- 10.2 the time by which it is proposed that the directors should adopt it.

## **11. Adoption of directors' written resolutions**

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- 11.1 A proposed directors' written resolution is adopted when a majority in number of the directors who would have been entitled to vote on the resolution, and have their vote counted, at a directors' meeting have signed one or more copies of it or otherwise indicated their agreement in writing, provided that those directors who have signed it or indicated their agreement would have formed a quorum at such a meeting.
- 11.2 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.
- 11.3 A written resolution signed by an alternate director need not also be signed by or agreed to by his appointor.
- 11.4 The directors must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least 10 years from the date of their adoption.

## **12. Quorum for directors' meetings**

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- 12.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two provided always that for so long as the company has only one director, the sole director shall form a quorum.
- 12.3 If the total number of directors for the time being in office is less than the quorum required, the directors must not take any decision other than a decision:
  - 12.3.1 to appoint further directors; or
  - 12.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **13. Chairing directors' meetings**

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- 13.1 The directors may appoint a director to chair their meetings.
- 13.2 The person so appointed for the time being is known as the chairman.
- 13.3 The directors may terminate the appointment of the chairman at any time.
- 13.4 If the chairman is not participating in a meeting within 10 minutes of the time at which it was to start, the participating directors may appoint one of themselves to chair it.

## **14. Chairman's casting vote at directors' meetings**

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If the numbers of votes by directors who would have been entitled to vote and have their vote counted, at a directors' meeting for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote.

#### **15. Alternates voting at directors' meetings**

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A director who is also an alternate director has an additional vote on behalf of each appointor who is:

- 15.1 not participating in a directors' meeting; and
- 15.2 would have been entitled to vote if they were participating in it.

#### **16. Directors' discretion to make further rules**

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Subject to the 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.

### **DIRECTORS' INTERESTS**

#### **17. Directors' interests – general**

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- 17.1 For the purposes of articles 17 to 20:
  - 17.1.1 an interest of a person who is connected (within the meaning of section 252 of the Companies Act 2006) with a director is treated as an interest of the director; and
  - 17.1.2 in the case of an alternate director, the interest of his appointor is treated as an interest of the alternate director in addition to any interest, which the alternate director may have.
- 17.2 The company may by ordinary resolution ratify any matter not properly authorised by reason of non-compliance with any of the provisions of articles 17 to 20.

#### **18. Directors' interests in transactions or arrangements with the company**

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- 18.1 If he has declared his interest in accordance with the Companies Acts, a director may:
  - 18.1.1 be a party to, or in any way interested, whether directly or indirectly, in any contract, arrangement or transaction to which the company is a party, or in which the company is in any way interested, whether directly or indirectly;
  - 18.1.2 hold and be remunerated in respect of any office (other than the office of auditor of the company) or employment under the company or any other undertaking in which the company is in any way interested;
  - 18.1.3 may (or any firm of which he is a member, partner or employee may) act in a professional capacity (other than the office of auditor) for the company or any such other undertaking and be remunerated for so acting; and/or
  - 18.1.4 may act as a director or other officer of, or be otherwise interested in, any undertaking promoted by the company.

- 18.2 A director shall not, save as otherwise agreed by him, be accountable to the company for any interest, remuneration, profit or other benefit which he (or a person connected with him) derives from any matter permitted by this article and no such contract, transaction or arrangement relating thereto is liable to be avoided on the grounds of any such interest or benefit.

## **19. Directors' power to authorise conflicts of interest**

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- 19.1 For the purposes of section 175 of the Companies Act 2006, the directors have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.
- 19.2 The power of the directors to authorise any matter under article 19.1:
- 19.2.1 applies (but is not limited) to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity); and
  - 19.2.2 does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.
- 19.3 Authorisation of a matter under this article is effective only if:
- 19.3.1 the matter in question has been proposed in writing for consideration at a meeting of the directors in accordance with the board's normal procedures or such other manner as the directors may decide;
  - 19.3.2 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 or any other interested director; and
  - 19.3.3 the matter was agreed to without such director (or directors) voting, or would have been agreed to if the votes of any interested directors had not been counted.
- 19.4 Any authorisation of a matter under this article shall be subject to such conditions, limitations and/or terms as the directors may decide, whether at the time such authorisation is given or subsequently, and may be varied or revoked by the directors at any time and at their absolute discretion. Such conditions, limitations and/or terms may include, without limitation, that:
- 19.4.1 the director shall notify the board as soon as practicable of any significant change in the circumstances proposed for consideration under article 19.3.1;
  - 19.4.2 the director shall not be required or entitled to attend those parts of meetings of the directors (or a committee thereof) at which the matter under consideration is discussed;
  - 19.4.3 the director shall not be entitled to receive any papers or other documents in relation to, or concerning, the matter under consideration; and
  - 19.4.4 any information obtained by the director, other than in his capacity as a director or employee of the company, which is confidential in relation to a third party, need not be disclosed or used for the benefit of the company where such disclosure or use would constitute a breach of confidence.
- 19.5 Subject to any such conditions, limitations and/or terms imposed by the directors, any authorisation given shall be deemed to be given to the fullest extent permitted by the Companies Acts. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.

- 19.6 A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under this article and any such related contract, transaction or arrangement is not liable to be avoided on the grounds of any such benefit.
- 19.7 Without prejudice to article 19.4.1, any authorisation of a matter under this article shall extend to any actual or potential conflict of interest, which may reasonably be expected by the directors, at the time such authorisation is given, to arise out of the matter so authorised.

## **20. Restrictions on quorum and voting where a director has an interest**

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- 20.1 Save as provided in this article, and whether or not the interest is one which is permitted under article 18 or authorised pursuant to article 19, a director is not entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) is interested. Any vote of a director in respect of a matter where he is not entitled to vote shall be disregarded.
- 20.2 A director shall not be counted in a quorum at a meeting of the directors in relation to any resolution on which he is not entitled to vote.
- 20.3 Subject to the provisions of the Companies Acts, a director is (in the absence of some other interest that is not indicated below) entitled to vote and be counted in the quorum at a meeting of the directors in respect of a resolution concerning any of the following matters or situations:
- 20.3.1 where he is not aware that he has an interest;
- 20.3.2 where he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 20.3.3 where he has an interest only by virtue of interests in shares, debentures or other securities of the company, or by reason of any other interest in or through the company;
- 20.3.4 the giving of any security, guarantee or indemnity in respect of:
- (i) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the company or any of its subsidiary undertakings; or
  - (ii) a debt or obligation of the company or any of its subsidiary undertakings for which he himself has assumed any responsibility under a guarantee or indemnity or by the giving of security;
- 20.3.5 an offer of shares or debentures or other securities of or by the company or any of its subsidiary undertakings:
- (i) in which offer he is or may be entitled to participate as a holder of securities; or
  - (ii) if he is entitled to participate in the underwriting or sub-underwriting;
- 20.3.6 any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) does not hold or have any beneficial interest in more than 1% of any class of the equity share capital or the voting rights of the relevant company;
- 20.3.7 any arrangement for the benefit of employees or former employees of the company or any of its subsidiary undertakings provided the director's benefits are not more favourable than those awarded to the employees or former employees generally;

- 20.3.8 insurance which the company proposes to maintain or purchase for the benefit of any directors or for the benefit of persons who include directors;
- 20.3.9 the giving of indemnities in favour of directors;
- 20.3.10 the funding of expenditure by, or doing anything to avoid incurring expenditure by, any director in respect of:
  - (i) defending criminal, civil or regulatory proceedings or actions against him;
  - (ii) an application to the court for relief; or
  - (iii) any regulatory investigations; or
- 20.3.11 any interest that has been authorised by an ordinary resolution (subject to the terms of such resolution).
- 20.4 A director shall not vote nor be counted in a quorum on any resolution concerning his own appointment as the holder of any office or employment with the company or any undertaking in which the company is interested.
- 20.5 Proposals concerning any matters relating to the appointment of two or more directors to offices or employments with the company or any undertaking in which the company is interested may be divided and considered in relation to each director separately. In such case each of the directors concerned (provided he is not otherwise barred from voting) is entitled to vote and be counted in the quorum in respect of each resolution, except that concerning his own appointment.
- 20.6 If any question arises at any meeting as to the entitlement of any director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling (in relation to any director other than himself) is final and conclusive unless the interest has not been fairly disclosed. If any such question arises in respect of the chairman, it shall be decided by the directors (other than the chairman) and their ruling is final and conclusive unless the interest has not been fairly disclosed.

## APPOINTMENT OF DIRECTORS

### **21. Methods of appointing directors**

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- 21.1 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:
  - 21.1.1 by ordinary resolution;
  - 21.1.2 by written notice submitted to the company from a member or members holding a majority of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006);
  - 21.1.3 by written notice to the Company from a Relevant Shareholder provided that any Relevant Shareholder shall only be entitled to so appoint one director; or
  - 21.1.4 by a decision of the directors.
- 21.2 In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director. If two or more members die in circumstances making it uncertain who was the last to die, a younger member is deemed to have survived an older member.

- 21.3 If the company has only one member, the appointment by the directors of any person willing to act to be a director shall always be subject to the prior approval of that sole member.
- 21.4 No director on the board at the date of adoption of these articles shall be classed as a director appointed in terms of article 21.1.3 for so long as he shall continue to hold office as director of the Company after the adoption of these articles.

## **22. Termination of director's appointment**

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A person ceases to be a director as soon as:

- 22.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 22.2 a bankruptcy order is made against that person;
- 22.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 22.4 a registered medical practitioner who is treating that person 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;
- 22.5 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;
- 22.6 notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms;
- 22.7 that person has for more than 6 consecutive months been absent without permission of the directors from directors' meetings held during that period and the directors resolve that that person should cease to be a director;
- 22.8 the company receives a written notice to such effect from a member or members holding a majority of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006); or
- 22.9 in the case of a director appointed in terms of article 21.1.3, the appointor of that person ceases to be a Relevant Shareholder or the Company receives a written notice from the Relevant Shareholder who appointed that person intimating the removal of such person as a director.

## **23. Directors' remuneration**

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- 23.1 Directors may undertake any services for the company that the directors decide.
- 23.2 Directors are entitled to such remuneration as the directors determine:
- 23.2.1 for their services to the company as directors; and
- 23.2.2 for any other service which they undertake for the company.
- 23.3 Subject to the articles, a director's remuneration may:
- 23.3.1 take any form; and
- 23.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

- 23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 23.5 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.

## **24. Directors' expenses**

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The company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if one has been appointed) properly incur in connection with their attendance at:

- 24.1 meetings of directors or committees of directors;
- 24.2 general meetings; or
- 24.3 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.

## **ALTERNATE DIRECTORS**

## **25. Appointment and removal of alternates**

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- 25.1 Any director (the "appointor") (other than an alternate director) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 25.1.1 exercise that director's powers; and
- 25.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 25.2 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.
- 25.3 The notice must:
- 25.3.1 identify the proposed alternate; and
- 25.3.2 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.
- 25.4 If the company has only one member, the appointment of an alternate director shall always be subject to the prior approval of that sole member.

## **26. Rights and responsibilities of alternate directors**

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- 26.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 26.2 Except as the articles specify otherwise, alternate directors:



- 26.2.1 are deemed for all purposes to be directors;
  - 26.2.2 are liable for their own acts and omissions;
  - 26.2.3 are subject to the same restrictions as their appointors; and
  - 26.2.4 are not deemed to be agents of or for their appointors.
- 26.3 A person who is an alternate director but not a director:
- 26.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
  - 26.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
- No alternate may be counted as more than one director for such purposes.
- 26.4 An alternate director is not 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.

## **27. Termination of alternate directorship**

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An alternate director's appointment as an alternate terminates:

- 27.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 27.2 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;
- 27.3 on the death of the alternate's appointor;
- 27.4 when the alternate's appointor's appointment as a director terminates; or
- 27.5 when the company receives a written notice to such effect from a member or members holding a majority of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006).

## **PART 3**

### **DECISION-MAKING BY MEMBERS**

#### **ORGANISATION OF GENERAL MEETINGS**

## **28. Notice of general meetings**

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- 28.1 Notice of general meetings need not be given to members who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company.
- 28.2 A member present, in person or by proxy, at any general meeting or meeting of the holders of any class of shares shall be deemed to have received the relevant notice of the meeting.

- 28.3 Every person who becomes entitled to a share shall be bound by any notice given in respect of that share which, before his name is entered into the register of members, had been duly given to the person from whom he derived his title.

## **29. Attendance and speaking at general meetings**

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- 29.1 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.
- 29.2 A person is able to exercise the right to vote at a general meeting when:
- 29.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 29.2.2 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.
- 29.3 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.
- 29.4 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.
- 29.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

## **30. Quorum for general meetings**

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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.

## **31. Chairing general meetings**

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- 31.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 31.2 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:
- 31.2.1 the directors present; or
  - 31.2.2 if no directors are present, the meeting;
- must appoint a director or member (which may include a proxy or corporate representative) to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 31.3 The person chairing a meeting in accordance with this article is referred to as "**the chairman of the meeting**".

## **32. Attendance and speaking by directors and non-members**

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- 32.1 Directors may attend and speak at general meetings, whether or not they are members.

- 32.2 The chairman of the meeting may permit other persons who are not:
- 32.2.1 members of the company; or
  - 32.2.2 otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting.

### **33. Adjournment**

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- 33.1 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.
- 33.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 33.2.1 the meeting consents to an adjournment; or
  - 33.2.2 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.
- 33.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 33.4 When adjourning a general meeting, the chairman of the meeting must:
- 33.4.1 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
  - 33.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 33.5 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 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 33.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
  - 33.5.2 containing the same information which such notice is required to contain.
- 33.6 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.

## **VOTING AT GENERAL MEETINGS**

### **34. Voting: general**

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- 34.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- 34.2 At any time when the company has only one member, any decision which may be taken by the company in general meeting may be made by that member and is as valid as if agreed by the company in general meeting. Unless such decision is made by way of a written resolution, the sole member shall provide the company with a written record of the decision. Failure to do so will not affect the validity of any such decision and a person dealing with the company is not concerned to inquire whether a written record has been provided to the company in accordance with this article.

- 34.3 The voting entitlements of members are subject to any rights or restrictions attached to the shares held by them, whether or not such rights or restrictions are set out in the articles.

### **35. Errors and disputes**

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- 35.1 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.
- 35.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

### **36. Poll votes**

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- 36.1 A poll on a resolution may be demanded:
- 36.1.1 in advance of the general meeting where it is to be put to the vote; or
  - 36.1.2 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.
- 36.2 A poll may be demanded by:
- 36.2.1 the chairman of the meeting;
  - 36.2.2 the directors;
  - 36.2.3 two or more persons having the right to vote on the resolution;
  - 36.2.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution; or
  - 36.2.5 a person or persons holding shares in the company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right.
- 36.3 A demand for a poll may be withdrawn if:
- 36.3.1 the poll has not yet been taken; and
  - 36.3.2 the chairman of the meeting consents to the withdrawal.
- 36.4 Polls must be taken immediately (or at the end of the relevant general meeting) and in such manner as the chairman of the meeting directs.
- 36.5 A demand for a poll by a person as proxy for a member shall be the same as a demand by the relevant member.

### **37. Content of proxy notices**

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- 37.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
- 37.1.1 states the name and address of the member appointing the proxy;
  - 37.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

- 37.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 37.1.4 is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 37.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 37.3 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.
- 37.4 Unless a proxy notice indicates otherwise, it must be treated as:
  - 37.4.1 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
  - 37.4.2 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.

### **38. Delivery of proxy notices**

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- 38.1 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.
- 38.2 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.
- 38.3 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.
- 38.4 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.

### **39. Amendments to resolutions**

---

- 39.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - 39.1.1 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
  - 39.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 39.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - 39.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - 39.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

- 39.3 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.

## **APPLICATION OF RULES TO CLASS MEETINGS**

### **40. Class meetings**

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The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

## **PART 4**

## **SHARES AND DISTRIBUTIONS**

### **ISSUE OF SHARES**

### **41. Power to increase share capital**

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The company may increase its share capital by the allotment and issue of new shares, subject to and in accordance with the provisions of the Companies Acts and these articles (and, in particular, part 6 of these articles).

### **42. All shares to be fully paid up**

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- 42.1 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.
- 42.2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

### **43. Powers to issue different classes of share**

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- 43.1 Subject to the articles, but without prejudice to the rights attached to any existing shares, the company may issue further classes of shares with such rights or restrictions as may be determined by ordinary resolution.
- 43.2 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.
- 43.3 In the event that the rights and restrictions attaching to shares are determined by ordinary resolution or by the directors pursuant to this article, those rights and restrictions shall apply (in particular, in place of any rights and restrictions that would otherwise apply by virtue of the Companies Act 2006 in the absence of any provisions in a company's articles) as if those rights and restrictions were set out in these articles.

## **INTERESTS IN SHARES**

#### **44. Company not bound by less than absolute interests**

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- 44.1 Except as required by law or by these articles, the company is not bound by or compelled to recognise (even when having notice) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these articles or otherwise provided by law) any other right in respect of any share, except an absolute right of the holder to the whole of the share or, in the case of a share warrant, to the bearer of the warrant for the time being.
- 44.2 The company is entitled, but is not bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the company. Notwithstanding any such recognition, the company is not bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the company and is entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute holders. For the purpose of this article, "**trust**" includes any right in respect of any shares of the company other than an absolute right of the holder of the share for the time being or such other rights in the case of transmission as are mentioned in these articles.

### **SHARE CERTIFICATES**

#### **45. Share certificates**

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- 45.1 The company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.
- 45.2 Every certificate must specify:
- 45.2.1 in respect of how many shares, of what class, it is issued;
  - 45.2.2 the nominal value of those shares;
  - 45.2.3 that the shares are fully paid; and
  - 45.2.4 any distinguishing numbers assigned to them.
- 45.3 No certificate may be issued in respect of shares of more than one class.
- 45.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 45.5 Certificates must:
- 45.5.1 have affixed to them the company's common seal; or
  - 45.5.2 be otherwise executed in accordance with the Companies Acts.

#### **46. Replacement share certificates**

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- 46.1 If a certificate issued in respect of a member's shares is:
- 46.1.1 damaged or defaced; or
  - 46.1.2 said to be lost, stolen or destroyed,
- that member is entitled to be issued with a replacement certificate in respect of the same shares.
- 46.2 A member exercising the right to be issued with such a replacement certificate:

- 46.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
- 46.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- 46.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **47. Share transfers**

---

- 47.1 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.
- 47.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 47.3 The company may retain any instrument of transfer which is registered.
- 47.4 The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.
- 47.5 The directors may refuse to register the transfer of a share (other than an Excluded Transfer (as defined in part 7 of these articles)) and, if they do so, the instrument of transfer must be returned to the proposed transferee with notice of the refusal unless they suspect that the proposed transfer may be fraudulent.
- 47.6 The directors must refuse to register the transfer of a share if, to the extent that they apply, the provisions of part 7 of these articles have not been complied with.

### **48. Transmission of shares**

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- 48.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 48.2 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.
- 48.3 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
  - 48.3.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - 48.3.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder from whom the transmittee derived such entitlement had.
- 48.4 But transmittees do 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 they are entitled, by reason of the event which gave rise to the transmission, unless they become the holders of those shares.

### **49. Exercise of transmittees' rights**

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- 49.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 49.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 49.3 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 transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **50. Transmittes bound by prior notices**

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If a notice is given to a member in respect of shares and a transmittee (or a transferee nominated by such transmittee pursuant to article 48.3) is entitled to those shares, the transmittee (or the transferee) is bound by the notice if it was given to the member before the transmittee's (or transferee's) name has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **51. Procedure for declaring dividends**

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- 51.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 51.2 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.
- 51.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 51.4 Unless the members' 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 member's holding of shares in the class in respect of which the dividend is paid on the date of the resolution or decision to declare or pay it.
- 51.5 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.
- 51.6 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.
- 51.7 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.

### **52. Payment of dividends and other distributions**

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- 52.1 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:
  - 52.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 52.1.2 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 either in writing or as the directors may otherwise decide;

- 52.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - 52.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 52.2 In the articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
- 52.2.1 the holder of the share; or
  - 52.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - 52.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **53. No interest on distributions**

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The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- 53.1 the terms on which the share was issued; or
- 53.2 the provisions of another agreement between the holder of that share and the company.

### **54. Unclaimed distributions**

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- 54.1 All dividends or other sums which are:
  - 54.1.1 payable in respect of shares; and
  - 54.1.2 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.
- 54.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 54.3 If:
  - 54.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
  - 54.3.2 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.

### **55. Non-cash distributions**

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- 55.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution or by a decision 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).
- 55.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- 55.2.1 fixing the value of any assets;
  - 55.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - 55.2.3 vesting any assets in trustees.

## **56. Waiver of distributions**

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- 56.1 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.
- 56.2 If:
- 56.2.1 the share has more than one holder; or
  - 56.2.2 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.

## **CAPITALISATION OF PROFITS**

### **57. Authority to capitalise and appropriation of capitalised sums**

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- 57.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
- 57.1.1 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
  - 57.1.2 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.
- 57.2 Capitalised sums must be applied:
- 57.2.1 on behalf of the persons entitled; and
  - 57.2.2 in the same proportions as a dividend would have been distributed to them.
- 57.3 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.
- 57.4 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.

57.5 Subject to the articles the directors may:

- 57.5.1 apply capitalised sums in accordance with articles 57.3 and 57.4 partly in one way and partly in another;
- 57.5.2 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
- 57.5.3 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.

## **PART 5**

### **MISCELLANEOUS PROVISIONS**

#### **COMMUNICATIONS**

##### **58. Means of communication to be used**

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- 58.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 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.
- 58.2 Subject to the 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.
- 58.3 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.

#### **ADMINISTRATIVE ARRANGEMENTS**

##### **59. Company seals**

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- 59.1 Any common seal may only be used with the authority of the directors or a committee of the directors authorised by the directors.
- 59.2 The directors may decide by what means and in what form any common seal is to be used.
- 59.3 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.
- 59.4 For the purposes of this article, an authorised person is:
  - 59.4.1 any director of the company;
  - 59.4.2 the company secretary (if any); and
  - 59.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

**60. No right to inspect accounts and other records**

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Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

**61. Provision for employees on cessation of business**

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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. Change of name**

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The company may change its name by resolution of the directors.

## **DIRECTORS' INDEMNITY AND INSURANCE**

**63. Indemnity**

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In this article, the term "final" has the meaning given in sections 234(4) and (5) of the Companies Act 2006 and the word "finally" will be interpreted accordingly. To the fullest extent permitted by the Companies Acts, but not otherwise, the company will indemnify the directors against:

- 63.1 any liabilities incurred by a director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or any associated company and arising out of the performance or purported performance of his duties as a director of the company or any associated company, except for:
  - 63.1.1 any liability to the company or any associated company;
  - 63.1.2 any liability of a director to pay:
    - (i) a fine imposed in criminal proceedings; or
    - (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); and
  - 63.1.3 any liability incurred by a director in:
    - (i) the defence of any criminal proceedings where he is finally convicted;
    - (ii) the defence of any civil proceedings brought by the company, or any associated company, where final judgment is given against him; or
    - (iii) any application for relief where the court refuses to grant relief to a director and such refusal is final; and
- 63.2 any other liability incurred by a director as an officer of the company or any associated company.

**64. Insurance**

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The company may purchase and maintain (at the cost of the company) insurance cover for the benefit of every director, former director or alternate director of the company or of any associated company against all or any of the liabilities referred to in article 63.

**65. Provision of Funds**

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On the request of a director, the company may, to the extent it considers reasonable and appropriate and at its sole discretion but subject always to the provisions of the Companies Acts:

- 65.1 provide a director with funds, by way of loan on such terms of repayment as the company thinks fit, to meet expenditure incurred or to be incurred by him:
  - 65.1.1 in defending any criminal or civil proceedings 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; and/or
  - 65.1.2 in connection with any application for relief;
- 65.2 provide the director with funds to meet expenditure incurred or to be incurred by him in defending himself in any investigation or action by, or against any action proposed to be taken by, a regulatory authority; and
- 65.3 take (or refrain from taking) any action to enable the director to avoid any such expenditure being incurred.

**PART 6****SHARE ISSUE PROVISIONS****66. Defined terms**

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In this part 6 of the articles, unless the context requires otherwise:

<b>"Adoption Date"</b>	being the date on which these articles are adopted as the articles of association of the company
<b>"Business Day"</b>	a day (other than a Saturday or Sunday) on which banks in Scotland are open for normal business
<b>"Fresh Issue"</b>	any allotment, issue, sale or grant of Fresh Issue Shares
<b>"Fresh Issue Shares"</b>	any shares or any rights to subscribe for or to convert into such shares which, in either case, the company proposes to allot or grant (as the case may be) after the Adoption Date, other than Permitted Issue Shares and Permitted Options
<b>"Permitted Issue Shares"</b>	any of: <ul style="list-style-type: none"> <li>(i) any shares allotted and issued pursuant to the exercise of a Permitted Option;</li> </ul>

- (ii) any shares allotted and issued pursuant to a bonus issue to shareholders pro rata to each person's holding of shares expressed as a proportion of the issued share capital at such time; and / or
- (iii) any shares allotted and issued pursuant to any rights to subscribe for or to convert into such shares (not being Permitted Options) which are outstanding as at the Adoption Date

**"Permitted Option"**

any option granted to an employee or director of, or consultant to, the company, provided always that the aggregate of:

- (i) the number of shares which may be issued pursuant to any such options as are outstanding as at the Adoption Date; and
- (ii) the number of shares which may be the subject of any such options as are granted on or after the Adoption Date,

may not exceed 10 per cent of the issued share capital of the Company from time to time

**67. Payment of commission**

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Subject to the provisions of and the powers conferred by the Companies Acts, the company may pay commissions and brokerage on the issue of shares.

**68. New share issues**

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- 68.1 The issued share capital of the company at the Adoption Date is £245.87766 divided into 24,587,766 shares of £0.00001 each.
- 68.2 The shares shall be treated *pari passu* in all respects.
- 68.3 The directors may exercise all of the powers of the company to allot, grant or issue Fresh Issue Shares, to such persons, at such times and on such terms and conditions as the directors may determine, but only to the extent permitted by the Companies Acts and these articles.
- 68.4 In addition, the directors may exercise all of the powers of the company to allot and issue Permitted Issue Shares and to grant Permitted Options, to such persons, at such times and on such terms and conditions as the directors may determine, but only to the extent permitted by the Companies Acts and these articles.
- 68.5 In substitution for all pre-existing authorities under section 551 of the Companies Act 2006 but without prejudice to the exercise of any such authority prior to the Effective Date, the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot shares in the company, or to grant rights to subscribe for or convert any security into shares in the company, up to a maximum nominal amount of £100 which, unless renewed, revoked or varied in accordance with the Companies Act 2006, shall expire on the fifth anniversary of the Effective Date, save that the company may before such expiry make an offer or agreement which would or might require the allotment of shares in the company, or

the grant of rights to subscribe for or to convert any security into shares in the company, after such expiry, provided that such power shall be limited to the allotment of shares:

68.5.1 in connection with a Permitted Share Issue or the grant of Permitted Options; or

68.5.2 otherwise than in connection with article 68.5.1, up to an aggregate nominal amount of £50.

For the purposes of this article 68.5, "**Effective Date**" means the later of (i) the date on which the special resolution amending this article 68.5 was passed and (ii) the date on which Investor Consent (as defined in the investment agreement dated 27 April 2011 and entered into between, amongst others, the Company, Scottish Enterprise and Par Equity LLP) for the amendment to this article 68.5 was received by the Company

68.6 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply to the allotment and issue of equity securities (within the meaning of section 560(1) of the Companies Act 2006) by the company.

## **69. Pre-emptive offers of new shares**

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69.1 No Fresh Issue Shares (other than any allotment, grant or issue pursuant to article 68.5 in respect of which this article 69 shall not apply) shall be allotted or issued to any person unless the company has offered such Fresh Issue Shares to each of its current members at the same price and *pro rata* to the numbers of shares held by them respectively (as nearly as may be without involving fractions) (his "**Relevant Entitlement**").

69.2 Such offer shall be in writing and:

69.2.1 shall stipulate the number and price of the Fresh Issue Shares offered;

69.2.2 shall stipulate that the offer must be accepted in writing within 10 Business Days (the "**Offer Period**") or in default will lapse as regards that offeree;

69.2.3 may stipulate that any member who desires to subscribe for a number of Fresh Issue Shares in excess of his Relevant Entitlement (such shares being "**Excess Fresh Issue Shares**") shall in his acceptance state how many Excess Fresh Issue Shares he wishes to subscribe for; and

69.2.4 may stipulate that any member who:

(i) desires to subscribe for a number of Fresh Issue Shares; and

(ii) is also an employee, director or prospective employee or director of any Group member,

shall enter into a joint election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003.

69.3 Three Business Days after the expiration of the Offer Period, the directors shall allocate the Fresh Issue Shares in the following manner:

69.3.1 to each offeree there shall be allocated his Relevant Entitlement or such lesser number of the Fresh Issue Shares for which he may have applied;

69.3.2 if the number of Fresh Issue Shares which remain unallocated after the application of article 69.3.1 is less than the aggregate number of Excess Fresh Issue Shares for which applications have been made, the unallocated Fresh Issue Shares shall be allocated (as nearly as may be) to each offeree in the proportions which the applications for Excess Fresh Issue Shares bear to one another; and

69.3.3 if the number of Fresh Issue Shares which remain unallocated equals or is greater than the aggregate number of shares for which applications for Excess Fresh Issue Shares have been made, each offeree shall be allocated the number of Excess Fresh Issue Shares for which he applied.



- 69.4 If any Fresh Issue Shares are not allocated pursuant to article 69.3, such Fresh Issue Shares may be offered to any person at no lesser price and otherwise on no more favourable terms as the offer to persons in accordance with the terms of articles 69.1 to 69.2, save that no such Fresh Issue Shares may be issued more than three months after the end of the Offer Period unless the procedure in articles 69.1 to 69.2 is repeated in respect of such Fresh Issue Shares.

## **PART 7**

### **SHARE TRANSFER PROVISIONS**

#### **70. Defined terms**

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In this part of the articles, unless the context requires otherwise:

<b>"acting in concert"</b>	has the meaning given in the City Code, provided that the directors will not be deemed to be acting in concert with each other unless, pursuant to an agreement or understanding (whether formal or informal), they co-operate to obtain or consolidate a Controlling Interest
<b>"Called Shareholder"</b>	all shareholders other than Dragging Shareholders
<b>"Called Shares"</b>	shares which are transferred by Called Shareholders pursuant to article 72
<b>"City Code"</b>	the City Code on Takeovers and Mergers, as amended from time to time
<b>"Completion"</b>	the completion of the transfer of Dragging Shareholders' Shares as specified in the Drag Along Notice
<b>"Controlling Interest"</b>	an interest in shares (within the meaning of the City Code) conferring in the aggregate more than 50 per cent. of the total voting rights conferred by all shares
<b>"Drag Along Notice"</b>	a notice given by Dragging Shareholders in accordance with article 72
<b>"Drag Along Right"</b>	the right conferred upon Dragging Shareholders by article 72
<b>"Dragging Shareholders"</b>	those shareholder(s) who together hold shares carrying 60 per cent. or more of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006) and who intend to sell their Dragging Shareholders' Shares to a Voluntary Offeror
<b>"Dragging Shareholders' Shares"</b>	all of the shares held by the Dragging Shareholders
<b>"Excluded Transfer"</b>	any Founder Transfer where the number of shares which are to be transferred pursuant to that Founder Transfer (whether in one transaction or a series of transactions) when aggregated with all other Founder Transfers in the 12 months prior to the date of the relevant Founder Transfer does not exceed 10 per cent. of issued share capital of the Company at the

date of the relevant Founder Transfer;

<b>"Founder Transfer"</b>	a transfer of shares to Matthew McGrath or his connected persons (within the meaning of section 252 of the Companies Act 2006);
<b>"Mandatory Offer"</b>	an offer for the entire issued share capital not already held by the Mandatory Offeror (or any of them) made in accordance with and containing the information specified by article 71
<b>"Mandatory Offer Consideration"</b>	the consideration to be offered pursuant to a Mandatory Offer (as specified by article 71.4)
<b>"Mandatory Offeror"</b>	the person or persons acting in concert making a Mandatory Offer
<b>"Mandatory Offer Shares"</b>	the shares which are the subject of a Mandatory Offer
<b>"Proposing Transferor"</b>	any person proposing to transfer any shares
<b>"Shareholder Majority"</b>	shareholder(s) who together hold shares carrying 60 per cent. or more of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006)
<b>"Voluntary Offeror"</b>	a proposed purchaser (or purchasers acting in concert) who at the relevant time has made a <i>bona fide</i> offer on arm's length terms for the entire issued share capital of the company, which Dragging Shareholders wish to accept

## **71. Mandatory Offers**

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- 71.1 This article 71 applies to all transfers of shares (other than: (i) any Excluded Transfer; or (ii) any transfers of Dragging Shareholders' Shares or of Called Shares (in respect of which article 72 applies)), which if made or registered would result in a Controlling Interest being obtained or increased by any person or persons acting in concert (the **"Mandatory Offeror"**) and no transfer of such Shares shall be registered unless the following provisions of this Article have first been observed.
- 71.2 No transfer of shares to which this article 71 applies shall be made or registered unless either
- 71.2.1 such transfer has been approved by a Shareholder Majority; or
- 71.2.2 the Proposing Transferor has procured that the Mandatory Offeror has made a Mandatory Offer.
- 71.3 Any Mandatory Offer must be made on arm's length terms and must:
- 71.3.1 extend to the entire issued (and to be issued pursuant to outstanding options, warrants or other convertible securities exercisable or which will become exercisable as a result of the Controlling Interest being obtained or increased) share capital of the Company (other than that already held by the Mandatory Offeror (or any of them));
- 71.3.2 be unconditional in all respects;
- 71.3.3 be open for acceptance for a period of not less than:
- (i) 14 days prior to the expected date of registration of the transfer of shares to which this article applies; and
- (ii) 21 days after such date of registration;

## 71.3.4 specify:

- (i) the name(s) and address(es) of the Mandatory Offeror (or of each of them);
- (ii) the interests in the share capital of the Company held by the Mandatory Offeror (or of each of them);
- (iii) the address to which acceptances of the Mandatory Offer should be sent or delivered;
- (iv) the date on which the Mandatory Offer will close;
- (v) the consideration (if any) paid by the Mandatory Offeror for shares during the period of 12 months preceding the date of the Mandatory Offer;
- (vi) the aggregate amount of the Mandatory Offer Consideration and the amount of the Mandatory Offer Consideration per share;

## 71.3.5 confirm that:

- (i) the Mandatory Offer is being made on arm's length terms; and
- (ii) each Mandatory Offeror accepts responsibility for the information contained in the Mandatory Offer.

## 71.4 The Mandatory Offer Consideration must comprise a consideration (in cash or otherwise) for the entire issued (and to be issued) share capital of the Company which is at least equivalent to the aggregate of:

## 71.4.1 the value of the entire issued (and to be issued) share capital of the Company implied by the consideration (in cash or otherwise):

- (i) offered by the Mandatory Offeror (or any of them) to the Proposing Transferor (or his nominees) for his shares; or
- (ii) if higher, paid or payable by the Mandatory Offeror (or any of them) for any shares during the period of 12 months preceding the date of the Mandatory Offer; and

## 71.4.2 the higher of either:

- (i) the amount of any consideration (in cash or otherwise) received or receivable by the Proposing Transferor (or his nominees), which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price payable for his shares; or
- (ii) the amount of any consideration (in cash or otherwise) paid or payable by the Mandatory Offeror (or any of them) during the period of 12 months preceding the date of the Mandatory Offer, 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 shares acquired by the Mandatory Offeror (or any of them).

## 71.5 In the event of any dispute as to the calculation of the Mandatory Offer Consideration, the directors shall refer the matter to the Auditors (or, if the Auditors refuse to act, to an Independent Expert nominated by the directors) and the Auditors / Independent Expert shall determine and certify to the directors the amount which represents in their opinion the amount of the Mandatory Offer Consideration. The report of the Auditors / Independent Expert shall be final and binding except in the case of fraud or manifest error. The Company will pay all expenses of obtaining the Auditors' / Independent Expert's report. The elapsing of the period referred to in article 71.3.3 for acceptance of the Mandatory Offer shall be suspended pending the certification by the Auditors / Independent Expert of the Mandatory Offer Consideration.

- 71.6 The foregoing provisions of this article 71 are additional to the rights conferred upon shareholders by section 983 of the Companies Act 2006.

## **72. Rights to drag non-accepting shareholders along in a sale**

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- 72.1 Dragging Shareholders shall have the right to require all Called Shareholders to sell and transfer all their shares to a Voluntary Offeror (or as the Voluntary Offeror may direct).
- 72.2 The Drag Along Right shall be exercisable by giving notice to that effect to the company at least five days prior to the transfer of the Dragging Shareholders' Shares to the Voluntary Offeror in question. The Drag Along Notice shall specify:
- 72.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this article;
  - 72.2.2 the identity of the Voluntary Offeror;
  - 72.2.3 the proposed price to be paid by the Voluntary Offeror for each of the Dragging Shareholders' Shares and the Called Shares;
  - 72.2.4 the proposed place, date and time of Completion,
- (together the "**Drag Terms**").
- 72.3 The directors shall promptly send the Drag Along Notice to each of the Called Shareholders and require all of them to sell to the Voluntary Offeror at Completion all of their shares on the terms contained in:
- 72.3.1 the Drag Along Notice; and
  - 72.3.2 the offer made by the Voluntary Offeror.
- 72.4 Each Called Shareholder shall sell all of his shares on the terms set out in the Drag Along Notice and in the offer made by the Voluntary Offeror.
- 72.5 Drag Along Notices shall be irrevocable but will lapse if the sale of the Dragging Shareholders' Shares by the Dragging Shareholders to the Voluntary Offeror does not proceed either:
- 72.5.1 due to the expiry or non-fulfilment of any conditions to such sale (unless such conditions have been waived in accordance with the terms of the sale documentation); or
  - 72.5.2 if there are no such conditions, within 90 days after the date of service of the Drag Along Notice; or
  - 72.5.3 if, with the consent of the Dragging Shareholders, notices are issued under section 979 of the Companies Act 2006 in respect of the Called Shares held by the Called Shareholders,
- and, in the case of the situations referred to in Articles 72.5.1 and 72.5.2, the Dragging Shareholders shall be entitled to serve further Drag Along Notices no earlier than seven days following the lapse of any particular Drag Along Notice.
- 72.6 The following variations in the terms and conditions of the offer made by the Voluntary Offeror to Dragging Shareholders and Called Shareholders shall be permitted:
- 72.6.1 certain shareholders may be required to provide different warranties and indemnities (or no warranties and indemnities) in respect of the sale of Dragging Shareholders' Shares and Called Shares and may be required to retain part of the consideration for the sale of such shares in an escrow account (or a similar retention mechanism); and
  - 72.6.2 the offer may provide for the consideration for the sale of Dragging Shareholders' Shares and Called Shares to be paid otherwise than in cash (the "**Rollover**

**Alternative")** and the Rollover Alternative may not be offered to shareholders who are not capable of accepting such a Rollover Alternative due to regulatory, securities or other legal restrictions in the relevant jurisdiction (following confirmation by the company from its legal advisers in the relevant jurisdiction).

- 72.7 Completion shall take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the holders of a majority of the Called Shares and the holders of a majority of the Dragging Shareholders' Shares agree otherwise.
- 72.8 On or before Completion, each Called Shareholder shall deliver:
- 72.8.1 a form of acceptance in respect of the offer made by the Voluntary Offeror; and
  - 72.8.2 duly executed stock transfer form(s) in respect of the Called Shares he holds, together with the relevant share certificate(s) (or a lost share certificate indemnity in respect thereof in a form satisfactory to the directors) to the company.
- 72.9 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder of the company pursuant to the exercise of a pre-existing option or warrant to acquire shares (a **"New Shareholder"**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Voluntary Offeror, or as the Voluntary Offeror may direct, and the provisions of this article 72 shall apply, with the necessary changes, to the New Shareholder save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Shareholder.
- 72.10 If any Called Shareholder does not on Completion execute a form of acceptance of the offer made by the Voluntary Offeror and transfer(s) in respect of all the Called Shares held by him such defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Dragging Shareholders to be his agent to execute and deliver all such documentation on his behalf and against receipt by the company, on trust for such Called Shareholder, of the purchase monies or any other consideration payable for the Called Shares deliver such documentation to the Voluntary Offeror, or as he may direct, and, subject to stamping, the directors shall forthwith register the Voluntary Offeror, or as he may direct, as the holder thereof and, after the Voluntary Offeror, or his appointee, has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this article that no share certificate (or lost share certificate indemnity) has been produced.