

ARTICLES OF ASSOCIATION
of
J&E NOMINEES LIMITED



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— solicitors —

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

J&E NOMINEES LIMITED

1. PRELIMINARY

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "Model Articles") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "Articles").
- 1.2 In these Articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3 Model Articles 9(2), 13, 14, 18(d) and (e), 19(5), 21, 24, 26(5), 28(3) and 44(4) do not apply to the Company.
- 1.4 The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.5 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.

2. DEFINED TERMS

- 2.1 Model Article 1 shall be varied by the inclusion of the following definitions:-

"appointor" has the meaning given in Article 7.1;

"Control" has the same meaning as in section 995 of the Income Tax Act 2007;

"Equity Partner" means an equity partner for the time being of the Firm;

"Firm" means the firm of J & E Shepherd, Chartered Surveyors and having its principal place of business at 13 Albert Square, Dundee, DD1 1XA;

"Former Equity Partner Shareholder" means an individual who has ceased to be an Equity Partner and who has become a Shareholder pursuant to the terms of a Relevant Agreement;

"Group Company" in relation to a company means, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company and unless the context otherwise requires, the application of the definition of Group Company to any company at any time will apply to the company as it is at that time;

"Relevant Agreement" means any written agreement between the Equity Partners which makes provision for certain of the share capital of the Company to be allotted to or transferred to an Equity Partner or former Equity Partner following his exit as an Equity Partner of the Firm including any Agreement of Partnership as varied, amended or replaced from time to time;

"secretary" means the secretary of the Company, if any, appointed in accordance with Article 6 or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; and

"Shareholder" means the legal and beneficial owner of share(s) in the share capital of the Company;

"Shareholders' Agreement means the shareholders' agreement entered into between the Equity Partners and the Company dated 5th November 2012 as varied, amended or replaced from time to time;

"working day" means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered.

3. PROCEEDINGS OF DIRECTORS

- 3.1 Subject to Article 3.2, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 3.2 If the directors propose to exercise their power under section 175(4)(b) of the Companies Act 2006 to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 3.3 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:-

- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
 - (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.
- 3.4 The directors may appoint one of their number as chairman of the board of directors (**Chairman**) and may, remove and replace any such Chairman. The Chairman shall not have a casting vote.

4. **UNANIMOUS DECISIONS**

Model Article 8(2) shall be amended by the deletion of the words "copies of which have been signed by each eligible director" and the substitution of the following "where each eligible director has signed one or more copies of it" in its place. Model Article 8(2) shall be read accordingly.

5. **APPOINTMENT AND REMOVAL OF DIRECTORS**

- 5.1 Each Equity Partner shall be entitled to be a director of the Company (an **"Equity Partner Director"**). Each Former Equity Partner Shareholder shall be entitled to be a director of the Company if and for so long as he remains a Shareholder (a **"Former Equity Partner Director"**).
- 5.2 An Equity Partner Director who has ceased to be an Equity Partner and who has been permitted to continue in office as a director pursuant to the terms of Article 5.4(c) shall be re-designated as a Former Equity Partner Director when he becomes a Shareholder.
- 5.3 No director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.
- 5.4 In addition to the events terminating a director's appointment set out in Model Articles 18(a) to (c) inclusive and (f), a person ceases to be a director as soon as:-
- (a) that person is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under mental health legislation for the time being in force in any part of the United Kingdom; or

- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or which wholly or partly prevents that person from personally exercising any powers or rights which that person otherwise would have; or
- (b) that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors make a decision to vacate that person's office;
- (c) in the case of an Equity Partner Director, he ceases to be an Equity Partner unless the directors unanimously agree that he continue in office for such period as they determine pending the transfer or allotment to him of certain shares in the share capital of the Company pursuant to the terms of a Relevant Agreement;
- (d) in the case of an Equity Partner Director, permitted to continue in office by the directors after the date on which he ceased to be an Equity Partner pursuant to paragraph (c) above on the earlier of (i) the directors resolving that he be removed as an Equity Partner Director; or (ii) lapse of a period of 3 calendar months following the date on which he ceased to be an Equity Partner without having become a Shareholder; and
- (e) in the case of a Former Equity Partner Director, he and/or his Privileged Relations cease to hold any of the issued ordinary share capital of the Company.

6. **SECRETARY**

The directors may appoint a secretary to the Company for such period, for such remuneration and upon such conditions as they think fit; and any secretary so appointed by the directors may be removed by them.

7. **ALTERNATE DIRECTORS**

- 7.1 (a) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:-
 - (i) exercise that director's powers; and
 - (ii) carry out that director's responsibilities,
 in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- (b) 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. The notice must:-

- (i) identify the proposed alternate; and
 - (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor.
- 7.2 (a) An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's appointor.
- (b) Except as these Articles specify otherwise, alternate directors:-
 - (i) are deemed for all purposes to be directors;
 - (ii) are liable for their own acts or omissions;
 - (iii) are subject to the same restrictions as their appointors; and
 - (iv) are not deemed to be agents of or for their appointors.
- (c) A person who is an alternate director but not a director:-
 - (i) 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
 - (ii) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution).

No alternate may be counted as more than one director for such purposes.
- (d) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company.
- (e) Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".
- 7.3 An alternate director's appointment as an alternate terminates:-
 - (a) when his appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (b) 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 office as director;
 - (c) on the death of his appointor; or
 - (d) when his appointor's appointment as a director terminates.

8. ISSUE OF SHARES

- 8.1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted other than to an Equity Partner or former Equity Partner in satisfaction of sums and/or assets due to him following his exit as an Equity Partner of the Firm pursuant to the terms of a Relevant Agreement, unless within 30 days before that allotment or grant (as the case may be) every shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 8.2 (a) Shares may be issued as nil, partly or fully paid.
- (b) Subject to Article 8.3, unless the members of the Company by special resolution direct otherwise, all shares which the directors propose to issue must first be offered to the members in accordance with the following provisions of this Article.
- (c) Shares must be offered to members in proportion as nearly as may be to the number of existing shares held by them respectively.
- (d) The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- (e) After the expiration of the period referred to in (d) above, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
- (f) Any shares not accepted pursuant to the offer referred to in (d) and the further offer referred to in (e) or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or dispose of the same to such persons, on such terms, and in such manner as they think fit.
- (g) In accordance with section 567 of the Companies Act 2006, the requirements of sections 561 and 562 of the said Act are excluded in respect of the allotment by the Company of any equity securities.
- 8.3 The pre-emption rights contained in Articles 8.2 (b)–(f) shall not apply to any allotment of shares to an Equity Partner or former Equity Partner in satisfaction of sums and/or assets due to him upon or following his exit as an Equity Partner of the Firm pursuant to the terms of a Relevant Agreement.

9. LIEN.

9.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or is one of two or more joint holders, for all moneys payable by him or his estate to the Company (whether or not such moneys are presently due and payable).

9.2 The Company's lien over shares:-

- (a) takes priority over any third party's interest in such shares; and
- (b) extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.

9.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

9.4 (a) Subject to the provisions of this Article, if:-

- (i) a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of the shares; and
- (ii) the person to whom the lien enforcement notice was sent has failed to comply with it,

the Company may sell those shares in such manner as the directors decide.

(b) A lien enforcement notice:-

- (i) may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed;
- (ii) must specify the shares concerned;
- (iii) must include a demand for payment of the sum payable within 14 days;
- (iv) must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise; and
- (v) must state the Company's intention to sell the shares if the notice is not complied with.

(c) If shares are sold under this Article:-

- (i) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:-
 - (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - (ii) second, in payment to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- (e) A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date:-
 - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (ii) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share.

10. SHARE CERTIFICATES

- 10.1 (a) The Company must issue each member with one or more certificates in respect of the shares which that member holds.
- (b) Except as is otherwise provided in these Articles, all certificates must be issued free of charge.
 - (c) No certificate may be issued in respect of shares of more than one class.
 - (d) A member may request the Company, in writing, to replace:-
 - (i) the member's separate certificates with a consolidated certificate; or
 - (ii) the member's consolidated certificate with two or more separate certificates.

- (e) When the Company complies with a request made by a member under (d) above, it may charge a reasonable fee as the directors decide for doing so.
- 10.2 (a) Every certificate must specify:-
- (i) in respect of how many shares, of what class, it is issued;
 - (ii) the nominal value of those shares;
 - (iii) the amount paid up on those shares; and
 - (iv) any distinguishing numbers assigned to them.
- (b) Certificates must:-
- (i) have affixed to them the Company's common seal; or
 - (ii) be otherwise executed in accordance with the Companies Acts.

11. CONSOLIDATION OF SHARES

- 11.1 (a) This Article applies in circumstances where:-
- (i) there has been a consolidation of shares; and
 - (ii) as a result, members are entitled to fractions of shares.
- (b) The directors may:-
- (i) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and
 - (ii) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.
- (c) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.
- (d) A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- (e) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

12. DIVIDENDS

- 12.1 (a) Except as otherwise provided by these Articles or the rights attached to the shares, all dividends must be:-

- (i) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
 - (ii) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (b) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (c) For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

13 CAPITALISATION OF PROFITS

13.1 In Model Article 36(4) after "A capitalised sum which was appropriated from profits available for distribution may be applied" insert the following:

":-

(a) in or towards paying up any amounts unpaid on any existing nil or partly paid shares held by the persons entitled; or

(b)",

and Model Article 36(4) is modified accordingly.

13.2 Model Article 36(5)(a) is modified by the deletion of the words "paragraphs (3) and (4)" and their replacement with "Model Article 36(3) and Article 13.1".

14. WRITTEN RESOLUTIONS OF MEMBERS

14.1 (a) Subject to Article 14.1(b), a written resolution of members passed in accordance with Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the Company.

(b) The following may not be passed as a written resolution and may only be passed at a general meeting:-

(i) a resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his period of office; and

(ii) a resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his period of office.

14.2 (a) Subject to Article 14.2(b), on a written resolution, a member has one vote in respect of each share held by him.

(b) No member may vote on a written resolution unless all moneys currently due and payable in respect of any shares held by him have been paid.

15. NOTICE OF GENERAL MEETINGS

- 15.1 (a) Every notice convening a general meeting of the Company must comply with the provisions of:-
- (i) section 311 of the Companies Act 2006 as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and
 - (ii) section 325(1) of the Companies Act 2006 as to the giving of information to members regarding their right to appoint proxies.
- (b) Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company.

16. QUORUM AT GENERAL MEETINGS

- 16.1 (a) If and for so long as the Company has one member only, one member entitled to vote on the business to be transacted, who is present at a general meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.
- (b) If and for so long as the Company has two or more members, two members, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.
- (c) Model Article 41(1) is modified by the addition of a second sentence as follows:-
- "If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved."

17. VOTING AT GENERAL MEETINGS

- 17.1(a) Subject to Article 17.2 below, on a vote on a resolution at a general meeting on a show of hands:-
- (i) each member who, being an individual, is present in person has one vote;
 - (ii) if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote; and

- (iii) if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Companies Act 2006, one vote.
 - (b) Subject to Article 17.2 below, on a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.
- 17.2 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of shares held by that member unless all moneys currently due and payable by that member in respect of any shares held by that member have been paid.
- 17.3 (a) Model Article 44(2) is amended by the deletion of the word "or" in Model Article 44(2)(c), the deletion of the "." after the word "resolution" in Model Article 44(2)(d) and its replacement with "; or" and the insertion of a new Model Article 44(2)(e) in the following terms:-
- "by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right".
- (b) A demand for a poll made by a person as proxy for a member is the same as a demand made by the member.
- 17.4 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

18. DELIVERY OF PROXY NOTICES

Model Article 45(1) is modified, such that a "proxy notice" (as defined in Model Article 45(1)) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

19. COMMUNICATIONS

- 19.1 Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the Company to a person by being made available on a website.
- 19.2 A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by

electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company.

- 19.3 If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.
- 19.4 If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting.
- 19.5 If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.
- 19.6 If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.
- 19.7 For the purposes of Articles 19.4, 19.5 and 19.6, no account shall be taken of any part of a day that is not a working day.

20. COMPANY SEALS

- 20.1 Model Article 49(1) is modified, such that any common seal of the Company may be used by the authority of the directors or any committee of directors.
- 20.2 Model Article 49(3) is modified by the deletion of all words which follow the "," after the word "document" and their replacement with "the document must also be signed by:-
 - (a) one authorised person in the presence of a witness who attests the signature; or
 - (b) two authorised persons".

21. TRANSMISSION OF SHARES

- 21.1 Model Article 27 is modified by the addition of new Model Article 27(4) in the following terms:-

"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."
- 21.2 All the Articles relating to the transfer of shares apply to:-

- (a) any notice in writing given to the Company by a transmittee in accordance with Model Article 28(1); and
- (b) any instrument of transfer executed by a transmittee in accordance with Model Article 28(2),

as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

SHARE TRANSFERS

- 22. Model Article 26(1) is modified by the addition of the words "and, if any of the shares is nil or partly paid, the transferee" after the word "transferor".
- 23. All transfers of shares must:-
 - (a) be lodged at the registered office or such other place as the directors may appoint and be accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and
 - (b) be in respect of one class of shares only.

Any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to or registered in name of some person other than himself shall for the purpose of these Articles be deemed to be a transfer of shares.

- 24. The following provisions shall apply to all transfers of shares:-
 - (a) Any member proposing to transfer any shares must give prior written notice to the Company specifying the proposed transferee, the number of shares proposed to be transferred and, in the case of a sale, the proposed price per share or, in the case of any other transfer, the amount which in his opinion constitutes the value per share. The holders of the remaining shares of the same class shall have the right to purchase all (but not only some of) such shares either at the said proposed price or stated value per share or the market value per share fixed by an independent expert as specified in paragraph (c) below.

For the purposes of these Articles the member proposing to transfer any shares is called "**the Vendor**", the prior written notice he must give is called a "**Transfer Notice**"; the shares the Vendor proposes to transfer as specified in a Transfer Notice are called "**the Offered Shares**", and the other member or members purchasing such shares is/are called "**the purchasing member(s)**".

A Transfer Notice authorises the directors to sell all (but not only some of) the Offered Shares to the purchasing member(s) as agent of the Vendor, either at the price or value per share specified in the Transfer Notice or at the market value per share fixed by the independent expert as specified in paragraph (c) below. Unless all the other members holding shares of the same class as those to which the Transfer Notice relates so agree, a Transfer Notice cannot be withdrawn.

- (b) The Offered Shares shall first be offered to the members (other than the Vendor) holding shares of the same class as nearly as may be in proportion to the number of shares of the same class held by them respectively. Such offer shall be made by notice in writing (hereinafter called an "Offer Notice") within seven days after the receipt by the Company of the Transfer Notice.

The Offer Notice shall state the proposed transferee and the price or value per share specified in the Transfer Notice and shall be open for written acceptance only for a period of fourteen days from its date, provided that (i) if a certificate of valuation is requested under paragraph (c) below the offer shall remain open for such written acceptance for a period of fourteen days after the date on which notice of the market value certified in accordance with that paragraph is given by the directors to the members; and (ii) if by the expiry of the said relevant period, acceptances have not been received for some of the Offered Shares so that under paragraph (d) below they are to be offered to the holders of the other classes (if applicable) within seven days, and such offers shall be open for acceptance for similar periods of 14 days.

For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the directors.

The Offer Notice shall further invite each member holding shares of the same class to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all such members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in the proportion to the number of shares of the same class already held by the claimants respectively, provided that no member shall be obliged to take more shares than he shall have applied for.

If any shares shall not be capable without fractions of being offered to the members in proportion to their existing holdings, the same shall be offered to the members holding shares of the same class, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit.

- (c) Any member may, not later than seven days after the date of the Offer Notice, serve on the Company notice in writing requesting that the market value of the Offered Shares be fixed by an independent chartered accountant (who may be the accountant of the Company) mutually chosen by the Vendor and the member or failing agreement as to such choice nominated on the application of either party by the President for the time being of the Institute of Chartered Accountants of Scotland. Such accountant (hereinafter called "the Valuer") shall be deemed to act as an expert and not as an arbiter and his determination of the market value shall be final and binding for all purposes hereof.

For the purposes of such valuation, the market value of the Offered Shares shall be calculated on the following assumptions:-

- (i) the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Vendor's shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Vendor's shareholding or for the rights or restrictions applying to the shares)
- (ii) the sale is between a willing buyer and a willing seller on the open market;
- (iii) the sale is taking place on the date of the Offer Notice or, in the case of a Compulsory Transfer, the date on which the members give notice to the Transferring Member pursuant to Article 26(i);
- (iv) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so; and
- (v) the shares are sold free of all encumbrances.

The Valuer shall certify his opinion of the market value of the Offered Shares in writing signed by him. The Valuer's costs shall be borne equally between the Vendor and the member in question. On receipt of the Valuer's certificate the directors shall by notice in writing inform all members holding shares of the relevant class (including the Vendor) of the market value of the Offered Shares and of the price per share (being the lower of the price or value specified in the Transfer Notice and the market value of each share) at which the Offered Shares are offered for sale. For this purpose the market value of each of the Offered Shares shall be the market value of the Offered Shares certified as aforesaid divided by the number of the Offered Shares.

- (d) If purchasing member(s) shall not be found for all the Offered Shares among the holders of shares of the same class, the remaining shares shall be offered to the holders of shares of the

other class on the same terms and conditions *mutatis mutandis* as herein provided.

- (e) If purchasing member(s) shall be found for all (but not only some of) the Offered Shares within the relevant period specified in paragraph (b) above, the directors shall not later than seven days after the expiry of such period give notice in writing (hereinafter called a "Sale Notice") to the Vendor specifying the purchasing member(s) and the Vendor shall be bound upon payment of the price due in respect of all the Offered Shares to transfer the same to the purchasing member(s).
- (f) If the Vendor shall fail to sign and deliver a valid transfer of any of the Offered Shares which he has become bound to sell pursuant to the foregoing provisions the secretary of the Company or if the secretary shall be the Vendor, any director of the Company other than the Vendor, shall be deemed to have been appointed agent of the Vendor with full power to complete, execute and deliver in the name and on behalf of the Vendor, transfers of the shares to be sold by him pursuant to these provisions, and to receive payment of the price on his behalf, and to give a valid receipt and discharge therefor.

The directors shall register any transfer granted in pursuance of these powers notwithstanding that the certificate or certificates for the Offered Shares may not be produced with such transfer or transfers and after the purchasing member(s) has/have been registered in exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- (g) If no Sale Notice shall be given by the directors to the Vendor within the time limit specified in paragraph (b) above, or if purchasers are not found for all the Offered Shares, the directors shall be entitled, for the period of sixty days after the expiry of such time limit, to give notice to the Vendor that the Company shall purchase the Offered Shares or any part thereof (subject to compliance with the provisions of the Companies Act 2006 relating to the purchase by a company of its own shares), at not less than the lower of the price stated in the Transfer Notice and the market value if this has been fixed by the Valuer.
- (h) If no Sale Notice shall be given by the directors to the Vendor within the time limit specified in paragraph (b) above, or if purchasers are not found for all the Offered Shares or if the Company has not purchased the Offered Shares pursuant to paragraph (g) above, and provided the directors shall consent thereto, the Vendor shall be entitled, for a period of thirty days after the expiry of the time limit specified in paragraph (g) above, to transfer the Offered Shares to the proposed transferee specified in the Transfer Notice but in the case of a sale, at not less than the lower of the price stated in the Transfer Notice and the market

value if this has been fixed by the Valuer, and the directors shall register such transfer(s).

- (i) Any purported transfer of shares by any member not preceded by a Transfer Notice given in accordance with the foregoing provisions, shall be of no effect unless the other members shall have validly waived their rights in writing, and no such purported transfer shall be registered by the directors.

25. PERMITTED SHARE TRANSFERS

25.1 The following transfers of shares ("Permitted Transfers") may be made without restriction as to price or otherwise and without any requirement to offer such shares pursuant to the provisions of Article 24, namely transfers:-

- (a) by any member, who is an individual, to any Privileged Relation provided that in the event of such member dying or ceasing to be employed or otherwise engaged by the Company in circumstances in which, if he were still a member he could be obliged to transfer any of such shares pursuant to Article 26, Article 26 shall apply to the relevant Privileged Relation as if the shares were held by such member from whom the shares were transferred and the relevant Privileged Relation shall be bound to transfer shares in accordance with the provisions of Article 26;
- (b) by any nominee or trustee to the beneficiary under the trust or nomination;
- (c) by any member to any other person with the prior written consent of all of the other members; and
- (d) by any member, to an Equity Partner or former Equity Partner where such transfer is to be effected pursuant to the terms of a Relevant Agreement,

For the purposes of this Article:-

"Privileged Relation" means the spouse or civil partner of the relevant person and any trust established for the benefit of the relevant person or his children, grandchildren (including step and adopted children and their issue) and step and adopted children of the relevant person's children ("family members") or any charitable trust established by the relevant person and/or by his family members.

25.2 If any person to whom shares are transferred pursuant to sub-paragraphs (a) and (b) above ceases to be within the required relationship with the original transferor of such shares, (including, without prejudice to the foregoing generality, in the event of such person's death) such shares shall be transferred back to the original transferor (or to any other person falling within the required relationship with the original transferor)

forthwith upon such relationship ceasing and, if the holder of such shares fails to make such transfer, the holder shall be deemed to have served a separate Transfer Notice in respect of all such shares then held by him and the provisions of Article 26 (Compulsory Share Transfers) shall apply.

26. COMPULSORY SHARE TRANSFERS

If,

- (a) any member who is a Former Equity Partner Shareholder and a director shall cease to be a director for any reason whatsoever; or
- (b) any member shall die or have a guardian appointed by any competent court or become apparently insolvent or be declared bankrupt or make any arrangement or composition with his creditors generally or become of unsound mind or being a Company shall go into liquidation (other than a liquidation for the purpose of reconstruction or amalgamation) or have a receiver appointed over all or any of its assets; or
- (c) any member is a Defaulting Party for the purposes of clause 11 of the Shareholders' Agreement,

then the following provisions shall apply:-

- (i) such member or the executor, trustee, guardian, liquidator, receiver or other legal representative of such member and any person to whom shares have been transferred pursuant to Article 25 (hereinafter collectively and individually referred to in this Article as "the Transferring Shareholder") shall, subject to the provisions of Article 25.2, be bound if so required by written notice given by the holders of shares holding a majority of the remaining shares of the same class at any time within six months after the occurrence of the relevant event referred to in paragraphs (a), (b) or (c) above, to sell and transfer all (but not only some of) the shares vested in him to any such member or members holding shares of the same class other than the Transferring Shareholder (hereinafter called "the purchasing Member(s)")
- (ii) if the foregoing power to require a sale is exercised, the shares vested in the Transferring Shareholder shall be offered to the members holding shares of the same class other than the Transferring Shareholder in proportion to the number of shares of the same class held by them respectively. Such offer shall be made by notice in writing by the directors (a copy of which shall at the same time be given to the Transferring Shareholder) proposing a price for the sale and purchase of the shares. Such offer shall be open for negotiation of such price between the Transferring Shareholder and such other members (and written acceptance if so agreed) for a period of fourteen days from its date. If agreement on the price for the sale and purchase of the shares is not reached by the expiry of said period of fourteen days between the

Transferring Shareholder and any other such member(s) wishing to purchase such shares, any such member shall be entitled by written notice to the directors to require that the market value of the shares in question be fixed by the Valuer in accordance with the provisions of Article 24 (c) hereof, and on the market value being certified by the Valuer, the Transferring Shareholder shall sell and such other member(s) shall purchase such shares at such market value.

- (iii) if the foregoing power to require a sale is not exercised, the Transferring Shareholder shall be bound if so required by written notice given by the holders of shares holding a majority of the shares of the other class at any time within six months after the expiry of the time limit referred to in paragraph (i) above to sell and transfer all (but not only some of) the shares vested in him to any member or members holding shares of the other class other than the Transferring Shareholder (as the case may be) .
- (iv) if the foregoing power to require a sale in (iii) above is exercised, the shares vested in the Transferring Shareholder shall be offered to the members holding shares of the other class other than the Transferring Shareholder (as the case may be) in proportion to the number of shares of the other class held by them respectively. Such offer shall be made by notice in writing by the directors (a copy of which shall at the same time be given to the Transferring Shareholder) proposing a price for the sale and purchase of the shares. Such offer shall be open for negotiation of such price between the Transferring Shareholder and such other members (and written acceptance if so agreed) for a period of fourteen days from its date. If agreement on the price for the sale and purchase of the shares is not reached by the expiry of said period of fourteen days between the Transferring Shareholder and any such other member(s) wishing to purchase such shares, any such member shall be entitled by written notice to the directors to require that the market value of the shares in question be fixed by the Valuer in accordance with the provisions of Article 24 (c) hereof, and on the market value being certified by the Valuer, the Transferring Shareholder shall sell and such other member(s) shall purchase such shares at such market value.
- (v) if the foregoing power to require a sale is not exercised in terms of (i) and/or (iii) above, the directors shall be entitled, for the period of sixty days after the expiry of the time limit referred to in paragraph (iii), to give notice in writing to the Transferring Shareholder that the Company shall purchase all (but not only some of) the shares vested in the Transferring Shareholder (subject to compliance with the provisions of the Companies Act 2006 relating to the purchase by a company of its own shares). Such notice by the directors shall propose a price for the sale and purchase of the shares. Such price shall be open for negotiation between the Transferring Shareholder and the directors (and

written acceptance if so agreed) for a period of fourteen days from the date of the notice. If agreement on the price for the sale and purchase of the shares is not reached by the expiry of said period of fourteen days between the Transferring Shareholder and the directors, either the directors or the Transferring Shareholder shall be entitled by written notice to the other to require that the market value of the shares in question be fixed by the Valuer in accordance with the provisions of Article 24 (c) hereof, and on the market value being certified by the Valuer, the Transferring Shareholder shall sell and the Company shall purchase such shares at such market value.

The provisions of Article 24 hereof shall apply *mutatis mutandis* to the sale and transfer of shares under Article 26 and the words "Vendor" and "Offered Shares" where they appear in those paragraphs of Article 24 shall for the purposes of this Article mean the Transferring Shareholder and the shares vested in the Transferring Shareholder respectively.

27. DRAG ALONG

- 27.1 Any person, or persons acting together, holding either solely or together a majority of the ordinary shares ('a Majority Holder') shall have the right (the 'Drag Along Right') to require all of the other shareholders (the 'Called Shareholders') to transfer all of the shares in the capital of the Company held by the Called Shareholders to any person (the 'Third Party') to whom the Majority Holder has agreed to transfer all its shares (the 'Transfer Shares') in a *bona fide* transaction at arm's length (provided such Third Party is not a shareholder or an affiliate of a shareholder) or as the Third Party directs in accordance with the following provisions:-
- 27.2 The Drag Along Right may be exercised by the Majority Holder serving notice to that effect (the 'Drag Along Notice') on the Called Shareholders specifying that each Called Shareholder is required to transfer his shares (the 'Called Shares') pursuant to this Article 27.
- 27.3 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Majority Holder does not transfer the Transfer Shares to the Third Party within 45 days from the date of the Drag Along Notice.
- 27.4 The Called Shareholders shall only be obliged to sell the Called Shares on terms that they be entitled to receive for their holding of shares a consideration (the 'Drag Along Price') equal in value to an amount for each share equal to the price per share payable to the Majority Holder by the Third Party for the Transfer Shares, which price shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Third Party for the Transfer Shares which, having regard to the substance of the transaction as a whole, is reasonably regarded by the directors as an addition to the price so paid or payable PROVIDED THAT for the avoidance of doubt this Article 27 shall not be construed as requiring the Called Shareholders to give any representations, indemnities or warranties other than warranties as to title to the Called Shares owned by them. The

value of any non-cash consideration, or cash consideration payable on deferred terms, for any Called Shares, shall be determined by the Company's accountants who shall, if so requested by the directors, certify that value as at the date of completion of the purchase of the Called Shares. Such determination by the Company's accountants shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of the Called Shares. The costs of the Company's accountants shall be borne by the Company.

27.5 Upon the exercise of the Drag Along Right in accordance with this Article 27, each of the Called Shareholders shall be bound to sell his Called Shares for the Drag Along Price and otherwise in accordance with this Article 27.

27.6 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Majority Holder to the Called Shareholders in the Drag Along Notice save that:-

- (i) the Majority Holder may not specify a date that is less than 14 days after the date of the Drag Along Notice; and
- (ii) the date so specified by the Majority Holder shall be the same date as the date proposed for completion of the sale of the Transfer Shares;

unless, in the case of the sale by any particular Called Shareholder, that Called Shareholder and the Majority Holder otherwise agree.

27.7 In the event that any Called Shareholder fails to carry out the sale of any of the Called Shares in accordance with this Article 27 the directors may authorise some person to execute a transfer of the Called Shares to a Third Party (or as they may direct) and the Company may give a good receipt for the purchase price of such Called Shares and may register the Third Party (or as they may direct) as holder thereof and issue to them (or as they may direct) certificates for the same whereupon the Third Party (or the person directed by the Third Party) shall be indefeasibly entitled thereto. The Called Shareholder shall in such case be bound to deliver up his certificate for the Called Shares to the Company whereupon the Called Shareholder shall be entitled to receive the Drag Along Price which shall in the meantime be held by the Company on trust for the Called Shareholder but without interest. If such certificate shall comprise any shares which the Called Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Called Shareholder a balance certificate for such shares.

28. TAG ALONG

28.1 Without prejudice to the provisions of Article 25, any person, or persons acting together, holding either solely or together a majority of the ordinary shares ('the Transferor') who has agreed to transfer all of his ordinary shares (the 'Transfer Shares') to any person (the 'Third Party') in a *bona fide* transaction at arm's length (provided such Third Party is not a

shareholder or an affiliate of a shareholder) shall be required to procure that the Third Party purchases the shareholdings (the 'Tag Along Right') of the other shareholders of the same class as the Transfer Shares (the 'Called Shareholders'), if they so wish, in accordance with the following provisions:-

- 28.2 The Tag Along Right shall be triggered by the Transferor serving notice to that effect (the 'Tag Along Offer') on the Called Shareholders specifying that each Called Shareholder has the option to transfer his shares (the 'Called Shares') pursuant to this Article 28.
- 28.3 A Tag Along Offer once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Transferor does not transfer the Transfer Shares to the Third Party within 45 days from the date of the Tag Along Offer.
- 28.4 The Called Shareholders shall be entitled to sell the Called Shares on terms that they receive for their holding of shares a consideration (the 'Tag Along Price') equal in value to an amount for each share equal to the price per share payable to the Transferor by the Third Party for the Transfer Shares, which price shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Third Party for the Transfer Shares which, having regard to the substance of the transaction as a whole, is reasonably regarded by the directors as in addition to the price so paid or payable PROVIDED THAT for the avoidance of doubt this Article 28 shall not be construed as requiring the Called Shareholders to give any representations, indemnities or warranties other than warranties as to title to the Called Shares owned by them. The value of any non-cash consideration, or cash consideration payable on deferred terms for any Called Shares, shall be determined by the Company's accountants who shall, if so requested by the directors, certify that value as at the date of completion of the purchase of the Called Shares. Such determination by the Company's accountants shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of the Called Shares. The costs of the Company's accountants shall be borne by the Company.
- 28.5 Upon the triggering of the Tag Along Right by the Transferor in accordance with this Article 28, each of the Called Shareholders shall be entitled to sell his Called Shares for the Tag Along Price and otherwise in accordance with this Article 28.
- 28.6 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Transferor to the Called Shareholders in the Tag Along Offer save that:-
 - 28.6.1 the Transferor may not specify a date that is less than 14 days after the date of the Tag Along Offer; and
 - 28.6.2 the date so specified by the Transferor shall be the same date as the date proposed for completion of the sale of the Transfer Shares;

unless, in the case of the sale by any particular Called Shareholder, that Called Shareholder and the Transferor otherwise agree.

- 28.7 In the event that the Transferor fails to procure the sale of any of the Called Shares in accordance with this Article the directors shall refuse to register any transfer of the Transferor's Shares.