

COMPANY NUMBER: SC269348  
PRIVATE COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTION

OF  
GLENSHEE LIMITED (THE COMPANY)

PASSED: 11 January 2017

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the resolutions set out below were passed by a written resolution of the members of the Company:

**"SPECIAL RESOLUTIONS**

- 1 *THAT, subject to the passing of Resolutions Numbers 2 - 4 below, each of the A Ordinary Shares and B Redeemable Shares in issue be and is hereby converted into an ordinary shares of £1.00 ranking pari passu with each of the other ordinary shares in issue and having the rights and obligations set out in the New Articles to be adopted pursuant to Resolution Number 2 below.*
- 2 *THAT, subject to the passing of Resolution Number 1 above and Resolutions Numbers 3 and 4 below, the New Articles as defined in the issued to Shareholders on 14 December 2016 (the Circular) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.*
- 3 *THAT subject to the passing of resolution Numbers 1 and 2 above and Resolution Number 4 below, the directors be and are hereby authorised to implement the Proposals as set out in the Circular and, without prejudice to the foregoing generality that, in accordance with article 36.2 of the New Articles, the terms of Article 37 be disapplied to any transfer made pursuant to the Shareholder Offer, the External Sale or the Own Share Purchase pursuant to the Proposals.*
- 4 *THAT subject to the passing of Resolutions Numbers 1 to 3 above the terms of a contract proposed to be made between the Company and each of William Meston, Graham McCabe and Stewart Davidson for the purchase by the Company of up to 30,000 A Shares of £1.00 each in the capital of the Company for a total consideration of £300,000 all on the terms set out in the Circular be approved and the Company be authorised to enter into the said contract."*

**CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COMPANY**

  
Director

WEDNESDAY



\*S6YA4PCX\*  
SCT 24/01/2018 #237  
COMPANIES HOUSE

ARTICLES OF ASSOCIATION

of

GLENSHEE LIMITED

Adopted pursuant to Special  
Resolution passed on 11 January  
2017

2017

**MORTON FRASER** ●  
LAWYERS

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**THE COMPANIES ACTS**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

of

**GLENSHEE LIMITED (THE "COMPANY")**

(Adopted by special resolution passed on 11 January 2017)

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Defined terms**

1.1 In these Articles, unless the context requires otherwise:

**AGM** has the meaning given to it in article 62.1;

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

**"Acting in Concert"** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

**"Articles"** means the Company's Articles of Association;

**"bankruptcy"** includes sequestration and any other individual insolvency proceedings in a jurisdiction other than England and Wales, Northern Ireland or Scotland which have an effect similar to that of sequestration or bankruptcy;

**"business day"** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in Scotland are generally open for business;

**"chairman"** has the meaning given in article 13;

**"chairman of the meeting"** has the meaning given in article 53;

**"Controlling Interest"** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**"Change of Control"** means, in relation to any body corporate, the acquisition or disposal of a Controlling Interest;

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

**"distribution recipient"** has the meaning given in article 46;

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form;

**"electronic form"** has the meaning given in section 1168 of the Act;

**"Founder Directors"** means each of Wilson Malloch, Katherine Hunter, David Patterson and Aileen Lawrence;

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

(ii) a person who has not, on the expiry of his or her fixed term contract with the Company, been offered employment with the Company on reasonable terms;

**"hard copy form"** has the meaning given in section 1168 of the Act;

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

**"instrument"** means a document in hard copy form;

**"paid"** means paid or credited as paid;

**"participate"**, in relation to a directors' meeting, has the meaning given in article 12;

**"proxy notice"** has the meaning given in article 58.1;

**"ordinary resolution"** has the meaning given in section 282 of the Act;

**"shareholder"** means a person who is the holder of a share;

**"shares"** means shares in the Company;

**"special resolution"** has the meaning given in section 283 of the Act;

**"subsidiary"** has the meaning given in section 1159 of the Act;

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

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

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

1.3 A reference in these Articles to an "article" is a reference to the relevant numbered article of these Articles unless expressly provided otherwise.

1.4 The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended shall not apply to the Company.

## 2 **Liability of members**

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

## DIRECTORS' POWERS AND RESPONSIBILITIES

### 3 **Directors' general authority**

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 Shareholders' reserve power**

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

#### **5 Directors may delegate**

- 5.1 Subject to 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**

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.

### **DECISION-MAKING BY DIRECTORS**

#### **7 Directors to take decisions collectively**

- 7.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- 7.2 If:
- 7.2.1 the Company only has one director; and
  - 7.2.2 no provision of the Articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

#### **8 Unanimous decisions**

- 8.1 A decision of the directors is taken in accordance with this article 8 when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 8.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 8.3 References in this article 8 to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 8.4 A decision may not be taken in accordance with this article 8 if the eligible directors would not have formed a quorum at such a meeting.

## 9 **Decisions at meetings**

All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

## 10 **Calling a directors' meeting**

- 10.1 Any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 10.2 Notice of any directors' meeting must be accompanied by:
  - 10.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and
  - 10.2.2 copies of any papers to be discussed at the meeting.
- 10.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agreed in writing.
- 10.4 Notice of a directors' meeting must be given to each director in writing or (subject to the Act and the Articles) by electronic means.
- 10.5 Meetings of the directors shall take place at least 4 times each year, with a period of not more than 15 weeks between any two meetings.
- 10.6 Notice of any directors' meeting must indicate:
  - 10.6.1 its proposed date and time;
  - 10.6.2 where it is to take place; and
  - 10.6.3 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.
- 10.7 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.



## **11 Quorum for directors' meetings**

- 11.1 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but, where the Company has three or more directors it must never be less than three, and unless otherwise fixed it is three.
- 11.2 Where the Company has only a sole director, the quorum is one.
- 11.3 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.4 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
  - 11.4.1 to appoint further directors; or
  - 11.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **12 Participation in directors' meetings**

- 12.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
  - 12.1.1 the meeting has been called and takes place in accordance with the Articles; and
  - 12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 12.3 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.

## **13 Chairing of directors' meetings**

- 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 chairman's appointment at any time.
- 13.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **14 Casting vote**

The chairman of directors' meetings shall have a casting vote.

## **15 Directors' discretion to make further rules**

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.

## 16 Transactions or other arrangements with the Company

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

16.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

16.1.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

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

16.1.4 shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;

16.1.5 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director; and

16.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit 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 such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

16.2 For the purposes of article 16.1:

16.2.1 references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting;

16.2.2 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

16.2.3 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

16.3 Subject to article 16.4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

- 16.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## 17 Directors' conflicts of interest

- 17.1 The directors may, in accordance with the requirements set out in this article 17, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").

- 17.2 Any authorisation under this article 17 will be effective only if:

- 17.2.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- 17.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
- 17.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

- 17.3 Any authorisation of a Conflict under this article 17 may (whether at the time of giving the authorisation or subsequently):

- 17.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- 17.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- 17.3.3 be terminated or varied by the directors at any time.

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

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

- 17.4.1 disclose such information to the directors or to any director or other officer or employee of the Company; or

- 17.4.2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.

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

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

- 17.5.2 is not given any documents or other information relating to the Conflict; and
- 17.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 17.6 Where the directors authorise a Conflict:
  - 17.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and
  - 17.6.2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 17.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 17.8 For the purposes of this article 17, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 17.9 Subject to article 17.10, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 17.10 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **18 Minutes of proceedings to be kept**

In accordance with section 248 of the Act, the directors must ensure that the Company keeps a record, in writing of all proceedings at meetings of the directors for a period of ten years from the date of the meeting.

## **APPOINTMENT OF DIRECTORS**

### **19 Number of directors**

The number of directors (other than alternate directors) shall not be less than two and no more than seven. No shareholding qualification for directors shall be required.

### **20 Methods of appointing directors**

- 20.1 Unless he has ceased to be a director for one of the reasons set out in article 21, each of the Founder Directors shall be entitled (but shall not be bound) at any time (a) whilst that Founder Director is an employee of the Company; and (b) for a period of three years after that Founder Director ceases to be an employee of the Company to be appointed and remain as a director of the Company. Any

appointment or removal from office under this article 20.1.1 shall be effected by a notice in writing to the Company signed by the relevant Founder Director. No Founder Director who is entitled to be appointed and remain a director under this article 20.1 shall be obliged to retire by rotation until such Founder Director has served as a director for a period of three years after that Founder Director's employment by the Company has ended after which such Founder Director shall be subject to retirement by rotation in accordance with the remaining provisions of this article 20.

- 20.2 At each annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.
- 20.3 The directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 20.4 If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.
- 20.5 No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless:-
  - 20.5.1 he is recommended by the directors; or
  - 20.5.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
- 20.6 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.
- 20.7 Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
- 20.8 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

- 20.9 Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

## 21 Termination of director's appointment

A person ceases to be a director as soon as:

- 21.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- 21.2 that person was appointed pursuant to article 20 and ceases to be entitled to be appointed under such article;
- 21.3 a bankruptcy order is made against that person;
- 21.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 21.5 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; or
- 21.6 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## 22 Directors' remuneration

- 22.1 Directors may undertake any services for the Company that the directors decide.
- 22.2 *Directors are entitled to such remuneration as the directors determine:*
  - 22.2.1 for their services to the Company as directors; and
  - 22.2.2 for any other service which they undertake for the Company.
- 22.3 Subject to the Articles, a director's remuneration may:
  - 22.3.1 take any form; and
  - 22.3.2 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.
- 22.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 22.5 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.

## 23 Directors' expenses

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- 23.1 meetings of directors or committees of directors;
- 23.2 general meetings; or
- 23.3 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

### 24 Appointment and removal of alternate directors

- 24.1 Any director (the “**Appointor**”) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
  - 24.1.1 exercise that director's powers; and
  - 24.1.2 carry out that director's responsibilities,
 in relation to the taking of decisions by the directors in the absence of the alternate's Appointor.
- 24.2 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.
- 24.3 The notice must:
  - 24.3.1 identify the proposed alternate; and
  - 24.3.2 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 Rights and responsibilities of alternate directors

- 25.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.
- 25.2 Except as the Articles specify otherwise, alternate directors:
  - 25.2.1 are deemed for all purposes to be directors;
  - 25.2.2 are liable for their own acts and omissions;
  - 25.2.3 are subject to the same restrictions as their Appointors; and
  - 25.2.4 are not deemed to be agents of or for their Appointors
 and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.
- 25.3 A person who is an alternate director but not a director:
  - 25.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);

- 25.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an eligible director in relation to that decision, but does not participate); and
- 25.3.3 shall not be counted as more than one director for the purposes of articles 25.3.1 and 25.3.2.
- 25.4 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 25.5 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.

## **26 Termination of alternate directorship**

An alternate director's appointment as an alternate terminates:

- 26.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 26.2 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;
- 26.3 *on the death of the alternate's Appointor; or*
- 26.4 when the alternate's Appointor's appointment as a director terminates.

## **COMPANY SECRETARY**

### **27 Company not required to have secretary**

In accordance with the Act, the Company shall not be required to have a secretary.

### **28 Appointment and removal of secretary**

The Company may resolve to appoint a secretary, or remove any secretary so appointed:

- 28.1 by ordinary resolution, or
- 28.2 by a decision of the directors.

### **29 Resignation of secretary**

A person ceases to be secretary as soon as notification in writing is received by the Company from the secretary that the secretary is resigning from office, and such resignation has taken effect in accordance with its terms.

## **SHARES**

### **30 All shares to be fully paid up**

- 30.1 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.



- 30.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

### **31 Powers to issue different classes of share**

- 31.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 31.2 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.

### **32 Allotment**

- 32.1 Any shares proposed to be issued shall be first offered to the then existing shareholders in proportion as nearly as may be to the number of the existing shares held by them respectively. The offer shall be made by notice specifying the number of shares offered and the period (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. The offer shall further invite each holder of shares 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 shareholders 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 already held by them respectively, provided that no shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered without fractions to the shareholders holding that class of shares in proportion to their existing holdings, the same shall be offered to such shareholders, 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. Any shares not taken up in accordance with the foregoing provisions shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit (acting reasonably), provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the proposed allottees thereof than the terms on which they were offered to the shareholders.
- 32.2 In accordance with Section 567 of the Act, Sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 5610(1) of the Act) made by the Company.
- 32.3 Article 32.1 shall not apply to any shares which the Company may, at any time by special resolution declare shall not be subject to the provisions of Article 32.1

### **33 Trusts may be recognised**

Except as required by law, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it. The Company shall however be entitled to register trustees as such in respect of any shares.

### **34 Share transfers**

- 34.1 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.

- 34.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 34.3 The Company may retain any instrument of transfer which is registered.
- 34.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

### 35 Restrictions on transfer

The following provisions shall apply to all transfers of shares, except transfers permitted under articles 36, 38 and 39:

- 35.1 Any shareholder 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 fair value per share. The other shareholders shall have the right to purchase all (but not only some of) such shares either at the said proposed price or stated fair value per share or the fair value per share fixed by the Valuer pursuant to article 35.3 below or by the unanimous agreement of the Board of Directors pursuant to article 35.3 below. For the purposes of these Articles the shareholder 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 shareholder or shareholders purchasing the Offered Shares is/are called the "**Purchasing Shareholder(s)**". A Transfer Notice authorises the Company to sell all (but not only some of) the Offered Shares to the Purchasing Shareholder(s) as agent of the Vendor, either at the price or value per share specified in the Transfer Notice or at the fair value per share fixed by the Valuer pursuant to article 35.3 below or by the unanimous agreement of the directors pursuant to article 35.3 below. Unless all the other shareholders agree, a Transfer Notice cannot be withdrawn.
- 35.2 The Offered Shares shall be offered by the Company to the shareholders (other than the Vendor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by the Company by notice in writing (hereinafter called an "**Offer Notice**") within 7 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 14 days after the date on which the Offer Notice is given by the Company to the shareholders or, if the procedure described in article 35.3 is followed, for a period of 14 days after the date on which notice of the fair value certified in accordance with article 35.3 is given by the Company to the shareholders. For the purpose of this article 35.2 an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The Offer Notice shall further invite each shareholder 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 the shareholders 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 already held by the claimants respectively, provided that no shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the shareholders in proportion to their existing holdings without fractions, the same shall be offered to the shareholders, 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 (acting reasonably).
- 35.3 Any shareholder may, not later than 7 days after the date of the Offer Notice, serve on the Company notice in writing requesting that the fair value of the Offered Shares

be fixed by the agreement of the directors (and any fair value of the Offered Shares unanimously agreed upon by the directors pursuant to this article 35.3 shall be final and binding, save in the case of manifest error or fraud), failing which by an independent Chartered Accountant (who may be the Auditor or Auditors of the Company or if none are appointed the Company's reporting accountants) mutually chosen by the Vendor and the other shareholders 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 fair value shall be final and binding for all purposes hereof (save in the case of manifest error or fraud).

- 35.4 The fair value of the Offered Shares shall be a price per share calculated as follows:
- 35.4.1 a valuation shall be made of the whole of the Company's issued share capital of the same class as the Offered Shares on the basis of an open market sale between a willing buyer and a willing seller dealing with each other at arm's length at the date of the Transfer Notice ("**Valuation**"); and
  - 35.4.2 the Valuation shall be divided by the number of issued shares in the same class as the Offered Shares;
  - 35.4.3 no discount shall be applied by virtue of the Offered Shares representing a minority shareholding.
- 35.5 The Valuer's costs shall be borne equally between the Vendor and the shareholder in question. On receipt of the Valuer's certificate the Company shall by notice in writing inform all shareholders (including the Vendor) of the fair 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 fair value of each share) at which the Offered Shares are offered for sale.
- 35.6 If Purchasing Shareholders shall be found for all (but not only some of) the Offered Shares within the relevant period specified in article 35.2 above, the Company shall not later than 7 days after the expiry of such period give notice in writing (hereinafter called a "**Sale Notice**") to the Vendor specifying the Purchasing Shareholders 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 Shareholders.
- 35.7 If Purchasing Shareholder(s) shall not be found for all the Offered Shares among the shareholders of the Company within the relevant periods specified in article 35.2 above, then (subject always to article 35.9) the Company shall be entitled within 14 days of expiry of such periods:
- 35.7.1 to find a purchaser who is not an existing shareholder but is approved by the directors ("**External Purchaser**") to purchase Offered Shares for which Purchasing Shareholders are not found among the shareholders of the Company ("**Excess Shares**"); and/or
  - 35.7.2 subject to compliance with all necessary statutory requirements to purchase the Excess Shares (or any of them) itself,  
  
and in each case to give notice thereof to the Vendor, in which case the terms and conditions of article 35.6 shall apply *mutatis mutandis* as if such External Purchaser and/or the Company itself (as applicable) were Purchasing Shareholders.
- 35.8 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

company secretary of the Company, or 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 Offered Shares to be sold by the Vendor pursuant to these provisions, and to receive payment of the price on the Vendor's behalf, and to give a valid receipt and discharge therefor. The directors shall register any transfer of the Offered Shares carried out in pursuance of the foregoing powers in this article 35.8 notwithstanding that the Certificate or Certificates for the Offered Shares may not be produced with such transfer or transfers and after the Purchasing Shareholder(s) has/have been registered in exercise of the foregoing powers, the validity of the proceedings shall not be questioned by any person.

- 35.9 If no Sale Notice shall be given by the Company to the Vendor within the time limit specified in article 35.6 above, or if purchasers are not found by the Company for all the Offered Shares pursuant to article 35.7 above, the Vendor shall be entitled, for a period of 30 days after the expiry of such time limit, to transfer the Offered Shares to the 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 fair value (if this has been fixed by the Valuer or by the unanimous agreement of the directors) and the directors shall register such transfer(s) unless the proposed transferee is some one of whom the Directors, acting reasonably and on a proper commercial basis, disapprove.
- 35.10 Any purported transfer of shares by any shareholder not preceded by a Transfer Notice given in accordance with the foregoing provisions, shall be of no effect unless the other shareholders shall have validly waived their rights in writing, and no such purported transfer shall be registered by the directors.

### 36 **Permitted transfers**

The provisions of articles 35.1 to 35.10 and articles 38 to 39 shall not apply to any transfer:-

- 36.1 by a shareholder to a Privileged Relation or Family Trust including, without limitation under a deceased shareholder's will (or the laws as to intestacy), without restriction as to price or otherwise; and
- 36.2 approved either (a) by a special resolution; or (b) by the consent in writing of the holders of not less than 75% of the shares of the Company.

For the purposes of this clause "**Privileged Relation**" means a shareholder's spouse, civil partner, the widow or widower of a shareholder, the shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the shareholder's children, the shareholder's parents, the shareholder's siblings and the children (including step and adopted children) of those siblings. A "**Family Trust**" is a trust or settlement set up wholly for the benefit of an individual shareholder and/or that shareholder's Privileged Relations.

### 37 **Deemed Transfer Notice**

- 37.1 For the purpose of this article 37 and other relevant provisions of these Articles the following shall be deemed (without limitation) to be service of a Transfer Notice:
- 37.1.1 unless the shares are to be transferred (whether under a deceased shareholder's will or the laws as to intestacy) by the personal representatives of the deceased to a Privileged Relation or Family Trust, the death of a shareholder, in which event the deceased shareholder's personal representatives shall be deemed to have given a Transfer Notice as at the date immediately following the date of death in respect of all shares held by such shareholder immediately prior to his or her death and the provisions of article 35 shall apply *mutatis*

*mutandis* as if such personal representatives where the Vendor (save that the period referred to in article 35.9 shall be deemed to be four calendar months rather than 30 days;

- 37.1.2 the appointment of an attorney in terms of a continuing Power of Attorney executed in terms of the Adults with Incapacity (Scotland) Act 2000 (the "**2000 Act**") as a result of becoming incapable as defined by the 2000 Act or have a financial and/or welfare guardian appointed by any competent court in terms of the 2000 Act or any amendment, modification or re-enactment thereof, in which event the shareholder's attorney or guardian shall be deemed to have given a Transfer Notice in respect of all shares held by such shareholder immediately prior to the appointment of the attorney or guardian and the provisions of article 35 shall apply *mutatis mutandis* as if such financial and/or welfare guardian where the Vendor (save that the period referred to in article 35.9 shall be deemed to be four calendar months rather than 30 days.)any direction (by way of renunciation, nomination or otherwise) by a shareholder entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself; or
  - 37.1.3 (other than as permitted by or carried out pursuant to these Articles) any sale or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise) by whomsoever made and whether or not effected by an instrument in writing; or
  - 37.1.4 any diligence, execution or sequestration or other process being levied or enforced upon or sued out against the property of the relevant shareholder which is not discharged within 10 days; or
  - 37.1.5 a shareholder's inability to pay its debts in the normal course of business; or
  - 37.1.6 a shareholder becoming apparently insolvent, having a trustee in bankruptcy appointed, signing a trust deed for creditors or entering into any voluntary arrangement with creditors, or, if a company, having a receiver or administrative receiver appointed over all or any of its assets, ceasing to trade, having a liquidator appointed (other than the case of a shareholders' voluntary liquidation for the purpose of solvent reconstruction or amalgamation) or passing a resolution for winding-up, otherwise than for the purpose of a reconstruction or amalgamation without insolvency.
  - 37.1.7 a shareholder attempts to transfer any shares otherwise than in accordance with these Articles; and
  - 37.1.8 any shareholder (being a body corporate) suffering a Change of Control
- 37.2 In respect of any Transfer Notice deemed to have been given under the foregoing provisions of article 37 such notice shall be deemed to contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this article 37 none shall be sold and any such provision shall be binding on the Company. Furthermore where a shareholder gives (or purports to give) a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him then this article 37 shall apply (and the Transfer Notice given hereunder shall apply to the exclusion of any Transfer notice otherwise given or purportedly given).

- 37.3 Subject to the foregoing provisions of this article 37 the directors shall register any transfer made pursuant to or permitted by the foregoing provisions of this article 37 or these Articles, but shall refuse to register any other transfer.

### 38 Drag Along

- 38.1 In these Articles, a "Qualifying Offer" shall mean an offer in writing by or on behalf of any person (the "**Offeror**") to the holders of the entire equity share capital in the Company to acquire all their equity share capital for cash or for any other valuable consideration (but in each case, payable in full at completion).
- 38.2 If the holders of shares giving the right to exercise not less than 66% of the total votes exercisable by all the then issued shares of the Company on a poll (the "**Accepting Shareholders**") wish to accept the Qualifying Offer, then the provisions of this article 38 shall apply.
- 38.3 The Accepting Shareholders shall give written notice to the remaining holders of the equity share capital (the "**Other Shareholders**") of their wish to accept the Qualifying Offer, and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee), without any encumbrance, on the date specified by the Accepting Shareholders but shall not be required to give any representations, warranties, undertakings or indemnities, other than warranties as to capacity and that they have unencumbered title to the shares.
- 38.4 If any Other Shareholder shall not, within 5 business days of being required to do so, execute and deliver transfers to the Offeror in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute the necessary transfer(s) (together (in the case where the relevant Other Shareholder's share certificate(s) have not been made available) with such suitable share indemnity(s) in a form approved by the directors) on the relevant Other Shareholder's behalf and, against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof, and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 38.5 Upon any person, following the issue of a notice pursuant to article 38.3, becoming a shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company (a "**New Shareholder**"), a notice pursuant to article 38.3 shall be deemed to have been served upon the New Shareholder on the same terms as the previous notice under article 38.3, and the New Shareholder shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct, and the provisions of this article 38 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the notice being deemed served on the New Shareholder.

### 39 Tag Along

- 39.1 Except in the case of a transfer pursuant to Article 36 or 37, after going through the pre-emption procedure set out in Article 35, the provisions of article 39.2 shall apply if, in one or a series of related transactions, one or more Vendors propose to transfer any of the shares in the capital of the Company ("**Proposed Transfer**") which would, if carried out, result in any person ("**Proposed Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

- 39.2 Before making a Proposed Transfer, a Vendor shall procure that the Proposed Buyer makes an offer ("**Offer**") to the other Shareholders to buy all of the Company's shares for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Proposed Buyer, or any person Acting in Concert with the Proposed Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**").
- 39.3 The Offer shall be given by written notice ("**Offer Notice**"), at least 30 days ("**Offer Period**") before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 39.3.1 the identity of the Proposed Buyer;
  - 39.3.2 the purchase price and other terms and conditions of payment;
  - 39.3.3 the Sale Date; and
  - 39.3.4 the number of shares proposed to be purchased by the Proposed Buyer ("**Proposed Tag Shares**").
- 39.4 If the Proposed Buyer fails to make the Offer to all holders of shares in the Company, the Vendor shall not be entitled to complete the sale and the Company shall not register any transfer intended to effect that sale.
- 39.5 If the Offer is accepted by any shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Proposed Tag Shares held by Accepting Shareholders.
- The Proposed Transfer is subject to the pre-emption provisions of Article 35, but the purchase of Proposed Tag Shares from Accepting Shareholders shall not be subject to those provisions.]

#### 40 **Transmission of shares**

- 40.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 40.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 40.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - 40.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 40.3 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 holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

#### 41 **Exercise of transmittees' rights**

- 41.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

- 41.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 41.3 Any transfer made or executed under this article 41 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.

#### **42 Transmittes bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

#### **43 Share certificates**

- 43.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 43.2 Every certificate must specify:
  - 43.2.1 in respect of how many shares, of what class, it is issued;
  - 43.2.2 the nominal value of those shares;
  - 43.2.3 that the shares are fully paid; and
  - 43.2.4 any distinguishing numbers assigned to them.
- 43.3 No certificate may be issued in respect of shares of more than one class.
- 43.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 43.5 Certificates must:
  - 43.5.1 have affixed to them the Company's common seal; or
  - 43.5.2 be otherwise executed in accordance with the Act.

#### **44 Replacement share certificates**

- 44.1 If a certificate issued in respect of a shareholder's shares is:
  - 44.1.1 damaged or defaced; or
  - 44.1.2 said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 44.2 A shareholder exercising the right to be issued with such a replacement certificate:
  - 44.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 44.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - 44.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.



## DIVIDENDS AND OTHER DISTRIBUTIONS

### 45 Procedure for declaring dividends

- 45.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 45.2 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.
- 45.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 45.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 45.5 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.
- 45.6 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.
- 45.7 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.

### 46 Payment of dividends and other distributions

- 46.1 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:
  - 46.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 46.1.2 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;
  - 46.1.3 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
  - 46.1.4 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.
- 46.2 In the Articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
  - 46.2.1 the holder of the share; or

46.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or

46.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

#### **47 No interest on distributions**

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

47.1 the terms on which the share was issued, or

47.2 the provisions of another agreement between the holder of that share and the Company.

#### **48 Unclaimed distributions**

48.1 All dividends or other sums which are:

48.1.1 payable in respect of shares; and

48.1.2 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.

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

48.3 If:

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

48.3.2 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.

#### **49 Non-cash distributions**

49.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).

49.2 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:

49.2.1 fixing the value of any assets;

49.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

49.2.3 vesting any assets in trustees.

#### **50 Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

- 50.1 the share has more than one holder; or
- 50.2 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,
- 50.3 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

### 51 Authority to capitalise and appropriation of capitalised sums

- 51.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:
  - 51.1.1 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
  - 51.1.2 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.
- 51.2 Capitalised sums must be applied:
  - 51.2.1 on behalf of the persons entitled; and
  - 51.2.2 in the same proportions as a dividend would have been distributed to them.
- 51.3 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.
- 51.4 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.
- 51.5 Subject to the Articles the directors may:
  - 51.5.1 apply capitalised sums in accordance with articles 51.3 and 51.4 partly in one way and partly in another;
  - 51.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article 51 (including the issuing of fractional certificates or the making of cash payments); and
  - 51.5.3 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 51.

## DECISION-MAKING BY SHAREHOLDERS

## 52 Attendance and speaking at general meetings

- 52.1 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.
- 52.2 A person is able to exercise the right to vote at a general meeting when:
- 52.2.1 *that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and*
  - 52.2.2 *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.*
- 52.3 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.
- 52.4 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.
- 52.5 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.

## 53 Chairing general meetings

- 53.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 53.2 *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:*
- 53.2.1 *the directors present; or*
  - 53.2.2 *(if no directors are present), the meeting,*
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.*
- 53.3 The person chairing a meeting in accordance with this article 51 is referred to as the "**chairman of the meeting**".

## 54 Attendance and speaking by directors and non-shareholders

- 54.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
- 54.2 The chairman of the meeting may permit other persons who are not:
- 54.2.1 *shareholders of the Company; or*
  - 54.2.2 *otherwise entitled to exercise the rights of shareholders in relation to general meetings,*
- to attend and speak at a general meeting.*

## 55 **Adjournment**

- 55.1 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.
- 55.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
  - 55.2.1 the meeting consents to an adjournment; or
  - 55.2.2 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.
- 55.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 55.4 *When adjourning a general meeting, the chairman of the meeting must:*
  - 55.4.1 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
  - 55.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 55.5 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):
  - 55.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and
  - 55.5.2 containing the same information which such notice is required to contain.
- 55.6 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.

## 56 **Quorum and poll votes**

- 56.1 No business shall be transacted at any general meeting (other than the appointment of the chairman of the meeting) unless a quorum of members is present at the time when the meeting proceeds to business.
- 56.2 Subject to Section 318(1) of the Act, a quorum shall be four qualifying persons entitled to vote who are personally present or present by proxy, each being a qualifying person not excluded from counting towards a quorum under Section 318(2) of the Act).
- 56.3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 56.4 A demand for a poll may be withdrawn if:
  - 56.4.1 the poll has not yet been taken; and

56.4.2 the chairman of the meeting consents to the withdrawal,

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

56.5 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## 57 **Voting: general**

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.

## 58 **Proxies**

58.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- 58.1.1 states the name and address of the shareholder appointing the proxy;
- 58.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- 58.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 58.1.4 is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

58.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

58.3 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.

58.4 Unless a proxy notice indicates otherwise, it must be treated as:

- 58.4.1 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
- 58.4.2 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.

## 59 **Delivery of proxy notices**

59.1 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.

- 59.2 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.
- 59.3 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.
- 59.4 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.

## 60 **Errors and disputes**

- 60.1 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.
- 60.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

## 61 **Amendments to resolutions**

- 61.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - 61.1.1 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
  - 61.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 61.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - 61.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - 61.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 61.3 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.

## 62 **Annual General Meetings**

- 62.1 The directors shall convene an annual general meeting ("**AGM**") in each year; not less than three calendar months and not more than nine calendar months after the Company's accounting reference date
- 62.2 The business of each AGM shall include:-
  - 62.2.1 a report by the directors on the activities and business of the Company; and
  - 62.2.2 consideration of the annual accounts of the Company; and

- 62.2.3 the retirement, election and/or re-election of Elected Founder Directors, as referred to in articles 20.1 to 20.3.

For the avoidance of doubt, the directors may convene a general meeting other than the AGM at any time and must convene a general meeting if there is a valid requisition by shareholders (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act)

## **ADMINISTRATIVE ARRANGEMENTS**

### **63 Means of communication to be used**

- 63.1 Subject to these Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which section 1144 and Schedules 4 and 5 of the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 63.2 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 63.3 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.

### **64 Deemed delivery of documents and information**

- 64.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 64.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - 64.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 64.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 64.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 64.2 For the purposes of this article 64, no account shall be taken of any part of a day that is not a business day.
- 64.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

### **65 Company seals**



Unless and until the directors resolve otherwise, the Company shall not have a common seal.

**66 No right to inspect accounts and other records**

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 shareholder.

**67 Provision for employees on cessation of business**

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

**DIRECTORS' INDEMNITY AND INSURANCE**

**68 Indemnity**

68.1 Subject to paragraph 68.2, and without prejudice to any indemnity to which a relevant director is otherwise entitled, a relevant director of the Company or an associated company shall be entitled to be indemnified out of the Company's assets against:

68.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,

68.1.2 any liability incurred by that director in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

68.1.3 any other liability incurred by that director as an officer of the Company.

68.2 This article 68 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

68.3 In this article 68 and article 69 a "**relevant director**" means any director or former director of the Company.

**69 Insurance**

69.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.

69.2 In this article 69 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

**70 Borrowing Powers**

70.1 The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and issue Debentures, Debenture Stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

70.2 Any Debentures, Bonds or other Instruments or Securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares or otherwise as the directors may from time to time determine.

**71 Purchase of own shares**

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

71.1 £15,000; and

71.2 the value of 5% of the Company's share capital.

**72 Governing Law**

These Articles shall be governed by and construed in accordance with Scots Law and the Company, its officers and members from time submit to the non-exclusive jurisdiction of the Scottish Courts.