

Company number SC356636

PRIVATE COMPANY LIMITED BY SHARES

HW CORPORATE FINANCE (GLASGOW) LIMITED ("Company")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following special resolutions were passed as written resolutions by the members of the Company on 1 NOVEMBER 2012:

SPECIAL RESOLUTION 1

That the regulations set forth in the attached document be approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association.

SPECIAL RESOLUTION 2

That the two ordinary shares of £1.00 in the Company's issued share capital be hereby reclassified as two A ordinary shares of £1.00, such shares having the rights and being subject to the conditions attached to it by the new articles of association of the Company adopted pursuant to special resolution 1 above.

Director, for HW Corporate Finance
(Glasgow) Limited:



Date:

1 NOVEMBER 2012

WEDNESDAY



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COMPANIES HOUSE

INCORPORATED UNDER THE COMPANIES ACT 1985 ON 16TH MARCH 2009

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

HW CORPORATE FINANCE (GLASGOW) LIMITED

(Adopted on 1 NOVEMBER 2012)

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INCORPORATED UNDER THE COMPANIES ACT 1985 ON 16TH MARCH 2009

PRIVATE COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

OF

HW CORPORATE FINANCE (GLASGOW) LIMITED

(the "Company")

(Adopted on

2012)

1. PRELIMINARY

- 1.1 The regulations and definitions contained in the Model Articles for Private Companies Limited by Shares in the Schedule to The Companies (Model Articles) Regulations 2008 as amended (the "**Model Articles**") shall, except where the same are excluded or varied by or are inconsistent with the following Articles, apply to the Company and together with the following Articles shall constitute the articles of association of the Company. A reference to a Model Article shall be deemed to be a reference to an article in the Model Articles.
- 1.2 Model Articles 11(1), 11(2), 14, 26(5), 27(1), 27(2)a and 27(3) do not apply to the company.
- 1.3 In these articles, any reference to a particular statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation for the time being in force made under it.

1.4 In these articles:

"**A Ordinary Shares**" means the A ordinary share of £1 in the capital of the Company and "**A Ordinary Share**" shall be construed accordingly;

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

"B Ordinary Shares" means the B ordinary share of £1 in the capital of the Company and **"B Ordinary Share"** shall be construed accordingly;

"Board" means the board of directors of the Company for the time being;

"Connected Persons" has the meaning attributed by section 993 of the Income Tax Act 2007;

"Controlling Interest" means an interest in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued Ordinary Shares taking account of restrictions on voting rights contained in these Articles;

"Disposal" means the completion of a sale or other disposal of the whole or substantially the whole of the undertaking of the Company accompanied by a distribution of some or all of the proceeds of such sale or other disposal whether by virtue of the winding up of the Company, the payment of dividends or the purchase by the Company of shares or otherwise;

"Employee Member" means any member who is or has been a director and/or an employee and/or consultant of the Company or whose services as director are or have been supplied to the Company;

"Ordinary Shares" means the A Ordinary Shares and the B Ordinary Shares and **"Ordinary Share"** shall be construed accordingly;

"Ordinary Shareholders" means the holders from time to time of Ordinary Shares and **"Ordinary Shareholder"** shall be construed accordingly;

"Parent Company" means a company which is the registered holder of not less than seventy five per cent (75%) of the issued Ordinary Shares;

"Preference Dividend" has the meaning set out in Article 2.4.1(a);

"Preference Shares" means the cumulative redeemable preference shares of £1 in the capital of the Company and **"Preference Share"** shall be construed accordingly;

"Sale" means the sale of any interest in the shares of the Company (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or together with its Connected Persons) holding a Controlling Interest in the Company;

"Sale Price" means:

- (a) in the case of Ordinary Shares, the price at which the Vendor (as defined in Article 7.1) is prepared to transfer the Sale Shares (as defined in Article 7.1; and

- (b) in the case of Preference Shares, £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to and including the date the Preference Shares are transferred irrespective of whether or not such dividend has been declared or earned and any interest due in accordance with Article 2.4.1(e) calculated down to and including the date of transfer of the Preference Shares; and

"Shares" means shares in the capital of the Company and "Share" shall be construed accordingly.

2. SHARE CAPITAL – GENERAL

2.1 The Company has the following classes of shares:

2.1.1 A Ordinary Shares;

2.1.2 B Ordinary Shares; and

2.1.3 Preference Shares.

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

2.3 On the transfer of any Ordinary Share as permitted by these Articles:

2.3.1 a share transferred to a person who does not hold at Ordinary Shares shall remain of the same class as before the transfer; and

2.3.2 a share transferred to a shareholder who already holds Ordinary Shares shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

2.4 The rights attaching to the Ordinary Shares and Preference Shares shall be as follows:

2.4.1 Income

The profits of the Company available for distribution shall in respect of any financial year be applied as follows:-

- (a) first, in paying to the holders of the Preference Shares a fixed cumulative preferential net cash dividend ("**the Preference Dividend**") of seven per centum (7%) per annum of the nominal value of each Preference Share, accruing from the date of subscription therefor and payable by direct debit, in equal proportions, half yearly on 31st March and 30th September in each year, the first such payment to be made on 31st March 2012; and
- (b) second, provided the Preference Dividend has been paid in full in respect of that financial year and in respect of all previous financial years of the Company in accordance with these Articles and all Preference Shares which have fallen due for redemption have been redeemed, the Ordinary Shareholders will be entitled to such income out of profits of the Company from time to time as is approved by an ordinary resolution of the Ordinary Shareholders;
- (c) after all Preference Shares have been redeemed in full, the Ordinary Shareholders will be entitled to such income out of profits of the Company from time to time as is agreed by all the Ordinary Shareholders;
- (d) unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Acts, the Preference Dividend shall (notwithstanding Model Articles 30 to 35 inclusive or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend in accordance with these Articles;
- (e) if any Preference Dividend is not paid in accordance with these Articles (other than on grounds that the Company has insufficient profits), then the amount of overdue Preference Dividend will be increased by two per centum per annum over the base rate from time to time of the Clydesdale Bank plc such increase to accrue daily from the date specified for payment in these Articles save that such increase shall not accrue until and to the extent that the dividend in question may be lawfully paid and is not so paid. Such arrears of dividend shall be paid on demand, or in default of demand on 31st March and 30th September in each year; and
- (f) where the Company has insufficient profits available for distribution and is thereby prohibited from paying dividends by the Act or any other provisions of these Articles the Preference Dividend shall (notwithstanding any other provision of these Articles and in particular, notwithstanding that there has not been a recommendation of the directors

or a special resolution of the Company in general meeting that the Preference Dividend be paid) be a debt due by the Company and be payable in priority to any other dividend. For the avoidance of doubt if there are insufficient profits to pay the Preference Dividend the Company shall:

- i. pay such proportion of any dividend as it can lawfully pay and the balance shall be a debt due by the Company payable in priority to any other dividend; and
- ii. procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the Preference Dividend.

2.4.2 Capital

On a return of assets on liquidation, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (a) first, in paying to the holders of the Preference Shares all outstanding monies (whether capital, premium or dividend) due from redemption of any Preference Share previously redeemed by the Company;
- (b) second, in paying to the holders of the Preference Shares the sum of £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to and including the date of the return of capital irrespective of whether or not such dividend has been declared or earned and any interest due in accordance with Article 2.4.1(e) calculated down to and including the date of return of capital; and
- (c) lastly, the balance shall be distributed amongst the Ordinary Shareholders (in proportion to the number of Ordinary Shares held by each Ordinary Shareholder).

2.4.3 Redemption

- (a) Subject to the provisions of the Act, the Company may redeem any or all of the Preference Shares at any time and from time to time provided that it shall redeem in multiples of 5,000 Preference Shares if not redeeming the full amount thereof unless the balance of Preference Shares is less than 5,000 in which case the Company shall redeem the whole of such balance and in the absence of any contrary

agreement between the holders of the Preference Shares and the Company any partial early redemption shall be deemed to relate to the shares falling due for redemption in inverse order of maturity. Any redemption under this Article shall be effected by 14 days notice in writing given by the Company to the holders of the Preference Shares and shall be completed on the date of expiry of such notice. If there is more than one holder of Preference Shares any redemption of their shares shall be in proportion (as nearly as may be to) that which the aggregate amounts paid up or credited as paid up on the Preference Shares held by the holder bears to the amount paid up or credited as paid up on the whole of the issued Preference Shares at the date of redemption.

- (b) Subject to the provisions of the Act, all of the Preference Shares shall be redeemed immediately on a Sale or a Disposal.
- (c) On the date of any redemption of the Preference Shares, the Company shall pay to the holder of Preference Shares the amount payable in respect of such redemption (as calculated in accordance with Article 2.4.3(d)) and upon receipt of that amount such holder shall surrender to the Company any certificates for its Preference Shares which are to be redeemed in order that they may be cancelled, provided that if any certificate so surrendered includes any Preference Shares not redeemable at that time, the Company shall issue to the holder thereof a fresh certificate for the balance of the Preference Shares not redeemable.
- (d) The redemption price of the Preference Shares shall be the sum of £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to and including the date of the return of capital irrespective of whether or not such dividend has been declared or earned and any interest due in accordance with Article 2.4.1(e) calculated down to and including the date of redemption.
- (e) If the Company shall be unable, in compliance with the provisions of any applicable statute, to redeem all or any of the Preference Shares falling to be redeemed on any date, the Company shall redeem on the due date as many of the Preference Shares then falling due to be redeemed as it is then able to redeem in compliance with applicable statutes and shall redeem the shares remaining in issue which should then have been redeemed as soon thereafter as the Company shall be able to do so in compliance with such provisions to the amount paid up or credited as paid up thereon.

- (f) The Company shall be deemed to have sufficient profits available for redemption if profits of the Company sufficient for that purpose are available for distribution in accordance with Part 23 of the 2006 Act.

3. SHARE CAPITAL – UNISSUED SHARES

- 3.1 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 unless within one month before that allotment or grant (as the case may be) the holders of at least 75% of the Ordinary Shares have consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 3.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where the consent of the holders of 75% of the Ordinary Shares to that allotment has been obtained and that allotment otherwise conforms to the requirements of these Articles.

4. FURTHER ISSUES OF SHARES: AUTHORITY

- 4.1 Subject to Article 3 and the remaining provisions of this Article 4, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:
 - 4.1.1 offer or allot;
 - 4.1.2 grant rights to subscribe for or to convert any security into; or
 - 4.1.3 otherwise deal in, or dispose of,
 - 4.1.4 any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.
- 4.2 The authority referred to in Article 4.1:
 - 4.2.1 shall be limited to a maximum nominal amount of £75 of A Ordinary Shares, £25 of B Ordinary Shares and £50,000 of Preference Shares in issue at any one time or such other amount as may from time to time be authorised by the Company by ordinary resolution;
 - 4.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
 - 4.2.3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares

in pursuance of an offer or agreement as if such authority had not expired).

5. TRANSFER OF SHARES

- 5.1 The Board shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles but shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the Board may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the board within a period of 28 days after such request the Board shall be entitled to refuse to register the transfer in question.
- 5.2 No Shares may (subject to Permitted and Mandatory Transfers in accordance with Article 6) be transferred unless the prior written consent of the holders of not less than 75% of the Ordinary Shares has been obtained.
- 5.3 Where there is a Mandatory Transfer or consent is given to any transfer pursuant to Article 5.2, the procedure for transfer of such Shares shall be subject to the provisions of Article 7 (unless the holders of 75% of the Ordinary Shares resolve otherwise).
- 5.4 A reference in these Articles to a transfer of Shares shall include a transfer of any interest in Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over Shares and these Articles shall take effect accordingly.
- 5.5 In relation to any transferred Preference Shares, any right to any accrued but unpaid Preference Dividends (whether they have been declared or not), unpaid interest on any Preference Dividends or any unpaid debt due from the Company under Article 2.4.1, shall transfer from the transferor to the transferee on the transfer of the relevant Preference Shares.

6. PERMITTED AND MANDATORY TRANSFERS

Transfers to the Company

- 6.1 Any holder of Shares may at any time transfer Shares to the Company in accordance with the Act and these Articles.

Transfers with Shareholder Approval

- 6.2 Notwithstanding any other provisions of these Articles a transfer of any Shares approved by holders of 75% of the A Ordinary Shares may be made without restriction of price or otherwise.

Mandatory transfer on cessation of employment or directorship

- 6.3 Upon any Employee Member ceasing to be a director and/or employee and/or consultant of the Company and not continuing to act in any of those capacities, the Employee Member must offer his Shares for sale in accordance with Article 7.
- 6.4 Upon Ian Durie ceasing to be a director and/or employee and/or consultant of the Company and not continuing to act in any of those capacities, John Durie SIPP (Ref: 0762) must offer its Shares for sale in accordance with Article 7.

7. OFFERS FOR SALE

- 7.1 Save as otherwise provided in these Articles, every member who desires to transfer Shares (the "**Vendor**") shall give the Company notice in writing of that desire (the "**Transfer Notice**") and of the proposed Sale Price (subject always to Article 7.8). Transfer Notices and Deemed Transfer Notices (as hereinafter defined) both constitute the Company as the Vendor's agent for the sale of the Shares the subject of the relevant Transfer Notice or Deemed Transfer Notice (as the case may be) (the "**Sale Shares**"). Where Shares are offered for sale by the Company pursuant to Article 6.3 or Article 6.4, Transfer Notices shall be deemed to have been given ("**Deemed Transfer Notices**"). The provisions of this Article 7 shall apply to the transfer of Sale Shares.

The Sale Shares shall be offered for sale at the Sale Price forthwith to all holders of Ordinary Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Ordinary Shares held by such members. Any offer made by the Company under this Article 7.1 will invite the relevant members to state in writing the maximum number of the Shares offered to them they wish to purchase and will remain open for 21 days (the "**First Offer Period**").

Second Offer

- 7.2 If at the end of the First Offer Period there are any Sale Shares which have not been allocated the Company may, at its discretion, buy back such Sale Shares at the Sale Price, subject to due compliance with legislation. The Company shall have 21 days in which to confirm in writing to members whether it is willing to purchase any of the Sale Shares and if so the maximum thereof which it is willing to purchase. This offer will remain open for a period of 21 days (the "**Second Offer Period**").

Third Offer

- 7.3 If at the end of the Second Offer Period there are any Sale Shares which have not been allocated under the terms of this Article 8, the Vendor shall at any time during the period from the expiry of the Second Offer Period until the date which is 12 months from the date on which the Transfer Notice was given or deemed to have been given ("**Third Offer Period**") be free to sell and transfer such of the Sale Shares as have not been so sold to any person, subject to the approval of the holders of at least 75% of the Ordinary Shares.

- 7.4 On the date set for completion of the transfer of the Sale Shares (the "**Completion Date**") the Vendor shall deliver stock transfer forms for the Sale Shares, with the relevant share certificate, to the Company. On the Completion Date the Company shall pay the Vendor, on behalf of each of the members who have agreed to purchase the Sale Shares (or any of them) (the "**Offerees**"), the agreed or certified price for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Vendor without any obligation to pay interest.
- 7.5 To the extent that Offerees have not, by the Completion Date, put the Company in funds to pay the agreed or determined price, the Vendor shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Vendor shall not be obliged to complete the proposed sale of those Sale Shares.
- 7.6 If a Vendor fails to deliver stock transfer forms for Sale Shares to the Company on the Completion Date, the Directors may authorise any Director to transfer the Sale Shares on the Vendor's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the agreed or certified price for the Sale Shares offered to him. The Directors shall then authorise registration of the transfer once the appropriate stamp duty has been paid. The defaulting Vendor shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.

Effect of non-compliance

- 7.7 Any purported transfer of Shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect.

8. PROCEEDINGS AT GENERAL MEETINGS

- 8.1 If and so long as there is a Parent Company, its representative shall be the only person to constitute a quorum at general meetings. Model Article 38 is modified accordingly.
- 8.2 If and so long as there is only one member of the company, a decision taken by the member, which may be taken in general meeting, is as effective as if agreed by the company in general meeting.
- 8.3 A decision taken by a sole member under Article 8.2 (unless taken by way of written resolution) shall be recorded in writing and a copy shall be provided to the company.
- 8.4 Paragraph (c) in Model Article 44(2) is replaced with "by any member having the right to vote at the meeting" and paragraph (d) is deleted.

9. NUMBER OF DIRECTORS

- 9.1 The minimum number of directors is one and, unless otherwise determined by ordinary resolution, the number of directors is not subject to a maximum. A sole director may exercise all the powers and discretions given to the directors by these articles.

10. ALTERNATE DIRECTORS

- 10.1 A director shall not be entitled to appoint an alternate director to represent him at meeting of the directors or the committees.

11. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 11.1 Any person who is willing to act may be appointed as a director, either to fill a casual vacancy or as an additional director, by the Parent Company (if there is one) giving notice to the company of the appointment or (if there is no Parent Company) by a resolution of the directors.
- 11.2 Model Article 17(1)(b) is amended by adding at the end of the Model Article the words ", with the approval of the Parent Company (if there is one)".

12. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 12.1 Model Article 18 is amended:-

12.1.1 by adding the words "delivered to the office or tendered at a meeting of the directors" after the word "notification" in Model Article 18(f),

12.1.2 by adding at the end the following paragraph:-

"(g) he is served a written notice, signed on behalf of the Parent Company (if there is one) or, if there is no Parent Company, signed by or on behalf of the holder of shares conferring a majority of the voting rights conferred by all the shares, requiring him to resign".

- 12.2 A person is not disqualified from being a director by having attained any particular age.

13. DIRECTORS' INTERESTS

- 13.1 A director may vote at a meeting of the directors or of a committee on a resolution which concerns or relates to a matter in which he has, directly or indirectly, an interest but he remains obliged in any event to declare his interest in accordance with sections 177 and 182 of the Act.

14. DIRECTORS' GRATUITIES AND PENSIONS

- 14.1 Model Article 19(2) is amended by adding the words ", with the approval of the Parent Company (if there is one)" after the words "as the directors determine".

15. PROCEEDINGS OF DIRECTORS

- 15.1 The quorum for the transaction of the business of the directors is two, except where there is only one director. When there is only one director, he may exercise all the powers conferred on directors by the articles.
- 15.2 A director may participate in a meeting of the directors or of a committee of which he is a member by conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Participation in a meeting in this manner is deemed to constitute presence in person at the meeting.
- 15.3 Model Article 12(1) is deleted and replaced with "The Parent Company (if there is one) may appoint and remove the chairman of the board of directors by notice to the Company. If and so long as the position of chairman is vacant, the directors may appoint one of their number to be the chairman."

16. MINUTES

- 16.1 Model Article 15 is deleted and replaced with "The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision and / or meeting recorded, of every unanimous or majority decision by the directors and general meeting of the shareholders."

17. DIVIDENDS

- 17.1 Model Article 30(1) is amended by inserting the words ", subject to the provisions of the Companies Acts and with the approval of the Parent Company (if there is one), " after the words "The company may by ordinary resolution".

18. ACCOUNTS

- 18.1 Model Article 50 is amended by inserting the words ", other than the Parent Company (if there is one)," after the words "no person".

19. INDEMNITY

- 19.1 Model Article 52(1) is amended by deleting Model Article 52(1)(c) and replacing it with the following:

"(c) any other liability incurred by that director as an officer of the company or an associated company,

otherwise than as a result of his own negligence or default, in connection with the performance of his duties as such";

20. INSURANCE

- 20.1 Model Article 53(1) is amended by adding after "The directors may decide " the words ",with the approval of the Parent Company (if there is one), ".