

Oregon Timber Frame Ltd**Registered in Scotland No. SC181419****Companies Acts****Written Record of Members' Written Resolution****Circulation Date:** 16 March 2018

On the 21st day of March 2018, the following RESOLUTIONS IN WRITING (such Resolutions to have effect as Special Resolutions, as indicated) were duly passed by the members of the Company entitled to attend and vote at a general meeting of the Company: -

SPECIAL RESOLUTIONS

1. THAT, for the purposes of Section 694 of the Companies Act 2006 (as amended) (the "Act"), the share buy-back agreement to be made between the Company, Helen Sealey and others (a copy of which agreement is attached hereto) (the "**Buy-Back Agreement**") pursuant to which the Company will acquire 12,384 of its own ordinary shares of £1.00 each ("**Ordinary Shares**") from Helen Sealey for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
2. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Michael David Rutterford and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 7,989 of its own Ordinary Shares from Michael David Rutterford for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
3. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Nelson Campbell Gray and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 7,430 of its own Ordinary Shares from Nelson Campbell Gray for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
4. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Rathbone Nominees Limited and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 1,000 of its own Ordinary Shares from Rathbone Nominees Limited for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.

5. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Eric Macfie Young and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 10,385 of its own Ordinary Shares from Eric Macfie Young for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
6. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Cameron Thomson and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 6,000 of its own Ordinary Shares from Cameron Thomson for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
7. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Janet Elizabeth Anderson and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 12,500 of its own Ordinary Shares from Janet Elizabeth Anderson for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
8. THAT, for the purposes of Section 694 of the Act, the share buy-back agreement to be made between the Company, Douglas Alexander Harvey Smith and others (a copy of which Buy-Back Agreement is attached hereto) pursuant to which the Company will acquire 10,930 of its own Ordinary Shares from Douglas Alexander Harvey Smith for a consideration of £35.00 per Ordinary Share, as set out in the Buy-Back Agreement, be approved and the Company be authorised to enter into the Buy-Back Agreement.
9. THAT all rights of pre-emption whether in terms of the Articles of Association of the Company, the Companies Act 2006 or otherwise be and are hereby waived in respect of any allotment of shares made pursuant to resolutions 1 to 8 above.
10. THAT the document attached be adopted as the new Articles of Association of the Company, in place of and to the exclusion of all other previous Articles of Association.


AUTHORISED SIGNATORY
FOR AND ON BEHALF OF
OREGON TIMBER FRAME LTD

21st March 2018

Dated

Key Lawson
DIRECTOR

ARTICLES of ASSOCIATION

OREGON TIMBER FRAME LTD.

(Registered Number SC181419)

(ADOPTED 21st March 2018)



MBM COMMERCIAL LLP
5TH FLOOR, 125 PRINCES STREET, EDINBURGH EH2 4AD
DX ED403 EDINBURGH
TELEPHONE 0131 226 8200
FACSIMILE 0131 226 8240

Ref: ORE001-0040/SJFH/HB

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ARTICLES OF ASSOCIATION
of
OREGON TIMBER FRAME LTD.
(Registered Number SC181419)

A PRIVATE LIMITED COMPANY
Incorporated under
THE COMPANIES ACTS

(ADOPTED 21st March 2018)

1. DEFINITIONS AND INTERPRETATION

- 1.1 In these Articles, the words and expressions below shall have the following meanings unless the context requires otherwise:

“the Act”	means the Companies Act 2006;
“Acting in Concert”	shall have the meaning given to it in the City Code on Takeovers and Mergers from time to time;
“Articles”	means these articles of association constituted by the following regulations together with any duly authorised amendments or alterations from time to time, and the term “Article” shall be a reference to a regulation contained in these Articles;
“Associated Company”	shall have the meaning given to it in the Act;
“Auditors”	means the Auditors of the Company from time to time; unless auditors are not required pursuant to the Act and have not been appointed, in which case such reference shall instead mean the accountants of the Company from time to time;
“Board”	means the board of Directors of the Company from time to time;
“Business Day”	means any day from Monday to Friday inclusive which is not a local, public or statutory holiday in Scotland;
“Circulation Date”	means the earliest date on which a proposed written resolution is communicated in hard copy or electronic form (including without limitation by electronic mail or by publication on a website) to every eligible member who is entitled to receive such communication;

“Company”	means Oregon Timber Frame Ltd, a private limited company incorporated under the Companies Act 1985, registered in Scotland under number SC181419 and having its registered office at Portland Buildings, Dunsdale Road, Selkirk, TD7 5EB;
“Companies Acts”	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the relevant company;
“Control Percentage”	means 50% or more of the issued share capital;
“Controlling Interest”	means an interest in the Control Percentage or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to attend and vote at all general meetings;
“Corporate Appointor”	shall have the meaning given to it in Article 16.1;
“Corporate Representative”	shall have the meaning given to it in Article 16.1;
“Director”	means a director of the Company or any alternate director duly appointed in accordance with these Articles;
“EBT”	means the Oregon Timber Frame Employee Benefit Trust established by Deed of Trust by the Company dated 30 November 2007;
“Eligible Director”	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter), as determined in particular in accordance with article 14 of the Model Articles;
“Fair Value”	shall have the meaning given to it in Article 7.5;
“Fair Value Calculation”	<p>means the ‘fair ‘value’ of any shares to be valued (the “valued shares”) by the Valuer on the basis of the value of the whole Company and shall be calculated in accordance with the following assumptions:-</p> <ul style="list-style-type: none"> (a) an arm’s length sale between a willing seller and a willing buyer; (b) if the Company is carrying on a business as a going concern, on the assumption that it will continue to do so; (c) that the said valued shares are capable of being transferred without restriction; (d) that no account is taken of the proportion which the said valued shares bear to the total number of shares in issue;

- (e) that no account is taken of the proportion which the said valued shares bear to the total number of shares of the same share class in issue;

declaring that the Fair Value of each valued share shall be calculated by dividing the Fair Value of all the valued shares by the total number of the valued shares;

“Group Member”

means any holding company, subsidiary company, wholly-owned subsidiary company or a parent company, in each case as defined in the Act;

“Issued Amount”

means £263,000 divided into 263,000 ordinary shares of £1.00 each in the Company;

“member”

means a person registered as a member in the register of members of the Company;

“Model Articles”

means 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 prior to the date of adoption of these Articles;

“Option Holder”

means a holder of options, warrants or any other right to acquire new shares in the share capital of the Company;

“Privileged Relation”

means in respect of an individual:-

- (i) the spouse, civil partner, long term partner, surviving civil partner, surviving long term partner, widower or widow of the relevant person;
- (ii) the relevant person’s issue (including step and adopted issue);
- (iii) the relevant person’s parents and grandparents (including step and adoptive parents);
- (iv) the relevant person’s siblings and their respective issue (including step and adoptive siblings) (the persons referred to in (i) to (iv) being the “family members”),
- (v) any trust (including without limitation any pension fund) established for the benefit of the relevant person or his family members, or
- (vi) any charitable trust established by the relevant person and/or by his family members;

and in respect of any such family trust referred to in paragraph (v), a beneficiary of such trust;

“Qualifying Majority”

means 75%;

“share”	means any share forming part of the share capital of the Company;
“Termination Date”	means the date on which the contract of employment (or appointment, as the case may be) is terminated which in the case where notice is served shall be the date on which such notice expires and in the case where payment in lieu of notice is made shall be the date on which such payment is made and in the case of death shall be the date of death;
“Valuer”	means the Auditors unless they decline to act and in such an instance the valuer shall instead be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland;

- 1.2 Words importing the singular include the plural and vice versa.
- 1.3 Words importing a particular gender include any gender.
- 1.4 References to a “person” include any natural person, or any legal person, body or organisation, incorporated or unincorporated.
- 1.5 The headings in these Articles are for convenience only and shall not affect the construction of these Articles.
- 1.6 Words and expressions defined in the Act shall bear the same meanings in these Articles.
- 1.7 Unless provision is made to the contrary, references to any statute or statutory provision includes a reference to:
 - 1.7.1 that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated whether before or after the date of adoption of these Articles; and
 - 1.7.2 all statutory instruments or orders made pursuant to it.
- 1.8 References to the phrase "Privileged Relations" shall save for the references in Article 1.1 and Article 5.2 respectively, be deemed to include the phrase "and/or Group Member".

2. MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company except in so far as they are excluded or varied by or are inconsistent with these Articles.
- 2.2 Articles 11(2), 23, 24(2)(d), 24(5)(a), 48(2), 48(3), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 2.3 The following amendments shall be made to the articles of the Model Articles in so far as they apply to the Company:-
 - 2.3.1 in article 9(1) of the Model Articles, by the insertion of the phrase “not less than five Business Days” in the first sentence between the words “giving” and “notice”;
 - 2.3.2 in article 20 of the Model Articles, by the insertion of the phrase “(including alternate directors) and the secretary” in the first sentence between the words “directors” and “properly incur”;
 - 2.3.3 in article 22(1) of the Model Articles, by the amendment to the reference to “ordinary resolution” to read “special resolution”; and

- 2.3.4 in article 31(1) of the Model Articles, by the deletion of all occurrences of the phrase “either in writing or as the directors may otherwise decide” and by the substitution, in its place, of the phrase “in writing”.

3. SHARE CAPITAL

- 3.1 Notwithstanding any other provision of these Articles, the issued share capital of the Company on the date of adoption of these Articles consists of the Issued Amount. Save to the extent authorised from time to time by an ordinary resolution of the members, the Directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company. Section 550 of the Act shall not apply to the Company.
- 3.2 The Company may at its sole discretion recognise and record the holding of a share by a person on trust, or in the names of trustees, but unless specifically recognised by the Company as such a holding, the Company shall not be bound by, or obliged to recognise, any interest in any share except for the absolute rights of the holder named in the register of members.
- 3.3 Any shares of the Company for the time being unissued and any new shares from time to time to be created shall be offered to existing members in strict proportion to the number of shares held by them at that time. The offer shall be made by notice to each member specifying the number of shares offered and stating a period (not being less than 21 days) within which the offer if not accepted by notice to the Company shall be deemed to be declined. *Following expiry of such period or receipt of notice of the acceptance or refusal of every offer made hereunder the Directors may dispose of any shares not accepted by the members in such manner as they think most beneficial to the Company provided that such shares shall not be disposed of on terms which are more favourable to the allottee than the terms on which they were offered to the members hereunder.*
- 3.4 Article 3.3 shall not apply to any shares which (i) the members of the Company by special resolution and (ii) the Board, declare shall not be subject to the provisions of Article 3.3.
- 3.5 Pursuant to the Act, all statutory rights of pre-emption shall be excluded from applying to the Company. 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) made by the Company.

4. LIEN

- 4.1 The Company shall have a first and paramount lien on every share for all moneys, whether presently payable or not, called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person, whether solely or jointly with others, for all moneys owing to the Company from that person, or that person's estate, either alone or jointly with any other person, whether as a member, or not, and whether such moneys are presently payable or not. The Directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article.

5. TRANSFER OF SHARES

- 5.1 The Directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles.
- 5.2 Subject only to Articles 7 and Articles 8, the Directors shall register a transfer of shares complying with *one or more of the following conditions (declaring for the avoidance of doubt that any transfers*

complying with the conditions set out in Articles 5.2.2 to 5.2.6 may be made without restriction as to price or otherwise):-

- 5.2.1 a transfer of a share made pursuant to Article 6;
- 5.2.2 a transfer of a share made with (i) the prior written consent of the Board and (ii) the approval of at least 75% of the holders by nominal share value of the shares in the share capital of the Company for the time being by way of special resolution;
- 5.2.3 a transfer or transmission of a share by any member who is an individual to a Privileged Relation and a retransfer of any such share from such Privileged Relation to such member;
- 5.2.4 a transfer or transmission of a share by a member, which is a company, to a Group Member of that company, subject to the obligation on any such corporate transferee to retransfer any such share to the original transferor in the event that the corporate transferee ceases to be a Group Member;
- 5.2.5 any transfers as between (i) the EBT and (ii) employees or officers of the Company and/or any of its subsidiaries and/or the Privileged Relations of such employees; and
- 5.2.6 any transfers in aggregate of up to 1% of the issued share capital of the Company from time to time in any one financial year of the Company that are approved by the Board.

6. PRE-EMPTION RIGHTS ON TRANSFER OF SHARES

- 6.1 Except in the case of a transfer expressly authorised by Article 5.2, no person shall be entitled to dispose of any interest in any shares transferred otherwise than in accordance with this Article.
- 6.2 The member (the "**Transferor**") who intends to transfer any share or shares (the "**Sale Shares**") shall give notice in writing of that intention (a "**Transfer Notice**") to the Directors. The Transfer Notice shall specify the number and class of the Sale Shares and the sum which the Transferor fixes as the Fair Value of the Sale Shares (subject to Article 6.5). The Transfer Notice, whether it provides specific authority or not, shall constitute the Directors as the Transferor's agents and attorneys for the sale of the Sale Shares in accordance with, and subject to, the following provisions of this Article.
- 6.3 A Transfer Notice shall relate only to one class of shares.
- 6.4 The Transferor may reserve the right in the Transfer Notice to revoke the Transfer Notice if applications to purchase all of the Sale Shares are not received in accordance with this Article. If the Transferor does not reserve that right in the Transfer Notice, the Transferor shall not be entitled subsequently to revoke the Transfer Notice other than in accordance with Article 6.10.
- 6.5 Within seven days from the date of their receipt of the Transfer Notice, the Directors shall be entitled to instruct the Valuer to calculate the Fair Value of the Shares in accordance with Article 6.6.
- 6.6 The 'Fair Value' of the Sale Shares shall be calculated by the Valuer in accordance with the Fair Value Calculation.
- 6.7 If the Directors do not require the price to be determined pursuant to Article 6.5, they shall within seven days from the date of their receipt of the Transfer Notice, by notice in writing (the "**Intimation Notice**") intimate to each member, other than the Transferor, the number and class of the Sale Shares and the price fixed by the Transferor in the Transfer Notice as the Fair Value of the Sale Shares.
- 6.8 Within fourteen days from the date on which the Intimation Notice was sent to the members, any member may, by notice in writing sent to, and received by, the Directors (a "**Determination Notice**"),

require the Fair Value of the Sale Shares to be determined and certified by the Valuer in accordance with Article 6.6. The Directors shall within seven days from the date of their receipt of any Intimation Notice request the Valuer to determine and certify the Fair Value of the Sale Shares in accordance with Article 6.6, and the Directors shall simultaneously notify the Transferor and each member, in writing, that such a request has been made.

- 6.9 Within seven days from the date of receipt by the Directors of the Valuer's certificate of the Fair Value of the Sale Shares, the Directors shall send a copy of the certificate of Fair Value to the Transferor and, in the case of a certificate requested pursuant to Article 6.8, to each member.
- 6.10 The Transferor shall be entitled to revoke the Transfer Notice by notice in writing to the Directors within fourteen days from the date of service upon the Transferor of a copy of the certificate of Fair Value.
- 6.11 The cost of obtaining any Valuer's certificate of Fair Value of the Sale Shares shall be borne by the Company, unless the Transferor revokes the Transfer Notice in accordance with Article 6.10 in which case the Transferor shall bear the whole of such cost.
- 6.12 If the Transfer Notice has not been revoked by the Transferor after fourteen days from either:
 - 6.12.1 the date on which the Intimation Notice was sent to the members and no member has delivered a Determination Notice in accordance with Article 6.8; or
 - 6.12.2 the date of the service of the Valuer's certificate of the Fair Value of the Sale Shares upon the Transferor in accordance with Article 6.9;
 - 6.12.3 the Director shall, within seven days from the expiry the relevant period, issue a notice in writing (an "**Invitation Notice**") inviting each member, other than the Transferor, to apply to purchase all or any of the Sale Shares at the Fair Value fixed by the Transferor, or as the case may be, determined and certified by the Valuer.
- 6.13 The Directors shall specify in the Invitation Notice that any application to purchase all or any of the Sale Shares must be addressed to the Directors and delivered in writing to the registered office of the Company within twenty-one days from the date on which the Invitation Notice was sent to the members (the "**Offer Period**").
- 6.14 Where applications to purchase all or any of the Sale Shares are made by any member pursuant to the Invitation Notice, the Sale Shares shall be allocated to such members according to the number of the Sales Shares applied for by them, respectively. Where there is competition amongst members to purchase the Sale Shares, in the absence of agreement, the Sale Shares shall be allocated pro-rata amongst such applicant members according to the proportion that the Sale Shares for which each member applied bears to the aggregate number of Sale Share applications by members, provided that no member shall be obliged to purchase more than the number of the Sale Shares for which that member applied.
- 6.15 Within seven days from the expiry of the Offer Period, the Directors shall intimate by notice in writing (the "**Acceptance Notice**") to the Transferor and to each member who applied to purchase any of the Sales Shares pursuant to an Invitation Notice the number of the Sale Shares allocated to each such member. Every member whose offer to purchase Sale Shares has been accepted shall deliver to the Directors, within fourteen days of the date of the Acceptance Notice, the full sum equivalent to the price to be paid to the Transferor for the number of the Sale Shares allocated to that member. The acceptance of any offer to purchase Sale Shares is subject to and conditional upon any right of the Transferor to revoke the Transfer Notice and any such revocation by the Transferor shall not entitle a purchaser to claim any breach of contract.

- 6.16 In the event that no, or insufficient, applications are made to purchase all of the Sale Shares within the Offer Period, the Directors may offer, at the Fair Value specified in the original Intimation Notice, the remaining Sale Shares to any other person, whether a member or not, within twenty-one days from the expiry of the Offer Period (the "**Extended Offer Period**").
- 6.17 In the event of competition amongst any applicants to purchase any of the remaining Sale Shares offered in accordance with Article 6.16, the Directors may allocate, at their sole discretion, the remaining Sale Shares applied for by those applicants.
- 6.18 The Directors shall intimate, by notice in writing to the Transferor, within seven days from the expiry of the Extended Offer Period, the number of the remaining Sale Shares applied for by any person in accordance with Article 6.16 and the number of the Sale Shares allocated to each such applicant. Each applicant from the Extended Offer Period, whose offer is accepted, shall deliver to the Directors, within fourteen days of the expiry of the Extended Offer Period, the full sum equivalent to the price to be paid to the Transferor for the number of the Sale Shares allocated to that applicant. The acceptance of any offer to purchase Sale Shares is subject to and conditional upon any right of the Transferor to revoke the Transfer Notice and any such revocation by the Transferor shall not entitle a purchaser to claim any breach of contract.
- 6.19 In the event that no, or insufficient, applications to purchase all of the Sale Shares are made within the Offer Period, or, where appropriate, the Extended Offer Period, the Directors may, within seven days of the expiry of either the Offer Period or, if appropriate, the Extended Offer Period, elect that the Company shall try to repurchase all, or any remaining, Sale Shares. The price payable by the Company to the Transferor in terms of any repurchase shall be the Fair Value specified in the relevant Invitation Notice.
- 6.20 Where the Directors make an election pursuant to Article 6.19 any such repurchase shall be effected in accordance with the Act but within two months after the date of the election by the Directors pursuant to Article 6.19 (the "**Company Offer Period**").
- 6.21 In the event that the Directors decide not to seek any applications for any of the Sale Shares in an Extended Offer Period in accordance with Article 6.16 and decide that the Company will not attempt to repurchase the Sale Shares pursuant to 6.19 or decide that the Company cannot effect a repurchase within the Company Offer Period pursuant to Article 6.20, the Directors shall immediately notify the Transferor in writing of such decision.
- 6.22 Where any purchaser of Sale Shares, fails to deliver any sum payable pursuant to either Article 6.15 or 6.18, the purchaser shall be obliged to pay interest at the rate of five per centum per annum above the Bank of Scotland's base rate from time to time, from the date payment is due until it is paid in full or until the Transferor revokes the Transfer Notice, and notwithstanding that the Transfer Notice in respect of the Sale Shares is subsequently withdrawn by the Transferor.
- 6.23 If the Transfer Notice contains a reservation to the Transferor of the right to revoke the Transfer Notice in the event that applications to purchase all of the Sale Shares are not received, the Transferor shall be entitled to revoke the Transfer Notice by notice in writing (the "**Revocation Notice**") to the Directors within seven days of the service upon the Transferor of any of the notices referred to in Article 6.21.
- 6.24 Within seven days of the receipt by the Directors of the Revocation Notice the Directors shall return all sums paid to the Directors in accordance with any provision of this Article to the person or persons from whom such sums were received by the Directors, but shall not be obliged to account to any member or applicant for any interest or other benefit for the Company which may have accrued on any deposit of such sums. Any such accrued interest may be paid to the Company's account or returned to the relevant members or applicants as the Directors may choose.

- 6.25 Following the issue of Revocation Notice the Transferor shall not be bound or entitled to sell or transfer any of the Sale Shares to which it relates other than in accordance with Article 6.26. The Transferor shall nevertheless be entitled to serve on the Directors at any time a further Transfer Notice in respect of the Sale Shares, or any part of them, in accordance with this Article.
- 6.26 The Transferor shall, within twenty-one days after the service upon the Transferor of any of the notice, to be given to the Transferor in accordance with Article 6.21, or, in the event that the Transferor revokes the Transfer Notice in accordance with Article 6.23, within twenty-one days of the date of issue of the Revocation Notice, be at liberty subject to the provisions of Article 6.27 and Article 9, to sell and transfer to any person or persons any of the Sale Shares not sold in accordance with any other provision of this Article a price equal to the Fair Value specified in the Invitation Notice. If the Transferor revokes the Transfer Notice in accordance with Article 6.23, this Article 6.26 shall only authorise the Transferor to sell and transfer all of the Sale Shares.
- 6.27 The Board shall be entitled to refuse registration of any transfer to a person under Article 6.26 if that person is, or is believed to be a nominee for a person, reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Company and/or a Group Member of the Company.
- 6.28 If the Transferor does not issue a Revocation Notice in accordance with Article 6.23, completion of the sale of any of the Sale Shares allocated to any member or to any other person including the Company in accordance with the other provisions of this Article, other than Article 6.26, shall take place no later than fourteen days after the service upon the Transferor of any of the notices to be given to the Transferor in accordance with Article 6.21 provided that if applications to purchase all of the Sale Shares are made in accordance with Article 6.12 by any member, completion shall take place no later than fourteen days after the service upon the Transferor of the notice to be given to the Transferor in accordance with Article 6.15.
- 6.29 Completion of any sale and transfer of the Sale Shares under this, Article shall take place at the registered office of the Company, or at such other place as may be agreed upon between the parties. At completion. the Transferor shall be bound to deliver to the Directors a duly executed transfer or transfers of the Sale Shares and the certificates relating to the Sale Shares transferred in accordance with the provisions of this Article, in exchange for payment to the Transferor of the price for such Sale Shares, together with a certificate representing the balance of any shares owned by the Transferor after the transfer of the Sale Shares.
- 6.30 If the Transferor fails to deliver any of the documents required to effect the sale, the Directors may authorise any Director to act on behalf of the Transferor to execute and deliver any transfer of any of the Sale Shares on behalf of the Transferor. Any such transfer shall be as valid and effective as if executed and delivered by the Transferor. The receipt by the Directors of the price payable by any purchaser of any of the Sale Shares shall be a full discharge to the purchaser for such price and the purchaser shall not be bound to see to the application of such price. The purchaser shall forthwith be registered as the holder of the share, purchased by that purchaser in accordance with the provisions of Article 6.
- 6.31 Any repurchase by the Company of its own shares (including any redeemable shares) shall not constitute or be deemed to be a transfer of shares and these Articles shall not apply to any such repurchase.
- 6.32 Unless other approved by the Board, where a member who is an employee, a consultant, a director or an officer of the Company or any Associated Company, ceases to be such an employee, a consultant, a director or an officer for any reason, other than breach of any contract by the Company or death or incapacity, a Transfer Notice shall be deemed to have been issued pursuant to this Article on the Termination Date for all shares held by that member and/or beneficially owned or controlled by that member and any shares transferred to or otherwise held by a Privileged Relation of such member.

7. LIMITATION ON CHANGE OF CONTROL – TAG ALONG RIGHTS

7.1 Notwithstanding any other Article, no sale or transfer (other than a sale or transfer permitted by Articles 5.2.2 (provided that there is no change in the Controlling Interest), 5.2.3 or 5.2.4) of the legal or beneficial interest in any shares in the Company (the “**Specified Shares**”) may be made or validly registered if as a result of a sale or transfer of the legal and or beneficial interest in any such shares in the Company:-

7.1.1 a Controlling Interest would be obtained in the Company by any person or group of persons Acting in Concert;

unless the proposed transferee or transferees or his or their nominees has or have offered to purchase all the shares for the time being in issue at the Specified Price (as defined below) and on the same terms and conditions as to the payment of the Specified Price (the “**Tag Along Offer**”), such offer to be made by notice in writing to all Recipients (as defined below) and such offer stipulated to be open for acceptance for at least 21 days.

7.2 A Tag Along Offer shall expire 21 days (or such longer period of acceptance stipulated within the Tag Along Offer) after the date of the Tag Along Offer. Any Recipient who wishes to accept the Tag Along Offer must notify the proposed transferee(s) in writing of its acceptance of such offer. Any Recipient who fails to accept the Tag Along Offer within the period for acceptance shall be deemed to have rejected it. In the event that an Option Holder wishes to accept a Tag Along Offer, such person must also notify the Company in writing no less than seven days prior to expiry of the period of acceptance of the Tag Along Offer of its intention to exercise the relevant option or other right to acquire shares, and any failure to do so or any inability under the terms of the relevant option agreement to exercise such option or right to acquire shares within 30 days of notification shall be deemed a rejection of the Tag Along Offer.

7.3 The Specified Price in respect of a particular share shall take into account any differences in class rights between it and any other share including, without limitation, any Specified Share.

7.4 If any part of the Specified Price is to be paid except by cash then each Recipient may, at its option, elect to take a price per share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole.

7.5 In the event of a disagreement, the calculation of the Specified Price (including a determination of the Fair Value) shall be referred to an independent expert (acting as an expert and not as an arbiter and whose decision shall be final and binding) nominated by the President for the time being of the Institute of Chartered Accountants of Scotland and acting at the expense of the proposed transferee(s) or his or their nominees (as appropriate).

7.6 For the purposes of this Article 7:-

“**Recipients**” means all members of the Company and all Option Holders (and “**Recipient**” means any one of them); and

“**Specified Price**” means a price per ordinary share being not less than the Fair Value and at least equal to the value of the consideration (in cash or otherwise) offered or paid or payable by the proposed transferee(s) or his or their nominees for the Specified Shares being acquired including without limitation (i) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable per share and (ii) all arrears and accruals of the dividends on such shares calculated down to the date of the sale or transfer.

8. SALE BY QUALIFYING MAJORITY – DRAG ALONG RIGHTS

- 8.1 Notwithstanding any other Article but subject to Article 8.3, where any person or persons (an “**Offeror**”) makes a Qualifying Offer (as hereinafter defined) and this is to be accepted by the Majority Members (as hereinafter defined), the Majority Members may by notice in writing (a “**Drag Along Notice**”) to the other members of the Company (the “**Minority Members**”) require the Minority Members to (i) forthwith accept such Qualifying Offer, and (ii) transfer all of their shares free from all charges, liens, encumbrances and other third party rights to the Offeror at the same time as the Majority Members transfer all of their own shares to the Offeror. The Drag Along Notice shall specify the intended date of completion of the transfer of the shares pursuant to the Qualifying Offer, being a date not less than 15 Business Days following the date of the Drag Along Notice (the “**Drag Along Completion Date**”). The Majority Members shall also serve the Drag Along Notice on all Option Holders of the Company.
- 8.2 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder shall lapse if for any reason the sale of the shares of the Majority Members pursuant to Article 8.1 does not complete within 60 days after the date of the Drag Along Notice.
- 8.3 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or otherwise (a “**New Member**”), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror and the provisions of this Article 8 shall apply to the New Member (and the New Member shall be deemed to be a “**Minority Member**” for the purposes of this Article 8).
- 8.4 In the event that any Minority Member fails to accept such Qualifying Offer or having accepted such Qualifying Offer fails to execute and deliver any of the documents required to effect any transfer of shares pursuant thereto on or before the later of (i) 30 days after receipt or deemed receipt of the Qualifying Offer or (ii) the Drag Along Completion Date, such Minority Member shall be deemed to have irrevocably appointed any of the Directors to be his agents and attorneys for the purposes of accepting such Qualifying Offer and/or transferring all of that Minority Member’s shares (as the case may) and executing and delivering any such documents. The provisions of Articles 6.29 and 6.30 shall have effect as if such Minority Member was the Transferor and the Offeror was the purchaser.
- 8.5 For the purposes of this Article 8:-

“**Majority Members**” means members holding shares conferring in aggregate more than the Qualifying Majority of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to attend and vote at all general meetings of the members of the Company;

“**Qualifying Offer**” means an offer which:

- (i) is made on identical or substantially similar terms to all members (and Option Holders in the event that they become New Members) as to the price and terms and conditions as to the payment of price; and
- (ii) specifies a price which is not less than the Fair Value of each share; and
- (iii) is certified as complying with conditions (i) and (ii) above by an independent expert (acting as expert and not as arbiter and whose decision shall be final and binding) acting at the expense of all the members of the Company (in proportion to their respective shareholdings) and nominated by the Majority Members or (in the

event of disagreement as to nomination) appointed by the President for the time being of the Institute of Chartered Accountants of Scotland.

- 8.6 In determining whether an offer satisfies condition (i) of Article 8.5 above such independent expert shall take into account:
- 8.6.1 any differences in class rights between shares; and
 - 8.6.2 any consideration (in cash or otherwise) received or receivable by any member which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable to that member including, without limitation, any increase in salary, any bonus or termination payment.
- 8.7 The determination of the Fair Value pursuant to condition (ii) of Article 8.5 may be referred by the Company to an independent expert (acting as an expert and not as an arbiter and whose decision shall be final and binding) nominated by the President for the time being of the Institute of Chartered Accountants of Scotland and acting at the expense of the Company. In the event that the calculation of the Fair Value by the independent expert appointed pursuant to this Article 8.7 differs from the calculation of the Fair Value by the independent expert appointed pursuant to Article 8.5, then the Fair Value for the purposes of the Qualifying Offer shall be the average of such Fair Value calculations.
- 8.8 For the avoidance of doubt, the provisions of Article 6 do not apply in the event of any acquisition of shares pursuant to this Article 8.

9. PROCEEDINGS AT GENERAL MEETINGS

- 9.1 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, and such meeting was convened on the requisition of members, then the chairman of the meeting must dissolve the meeting.
- 9.2 If the persons attending an adjourned general meeting within half an hour of the time at which the adjourned meeting was due to start do not constitute a quorum, then the members present shall be a quorum.
- 9.3 On a show of hands or on a poll, votes may be given either personally or by proxy, or if a corporation, by its Corporate Representative.

10. WRITTEN RESOLUTIONS

- 10.1 A proposed written resolution circulated to the members shall lapse if it is not passed by the requisite number of members before the expiration of three months from the Circulation Date stated on the proposed written resolution.

11. NUMBER OF DIRECTORS

- 11.1 Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to any maximum and the minimum number of directors shall be one.
- 11.2 A Director shall not be required to hold any share in the Company in order to qualify for office as a Director. A Director, whether or not the Director holds any share in the Company, shall be entitled to attend and speak at any general meeting, or any meeting of any class, of the members of the Company.

12. ALTERNATE DIRECTORS

- 12.1 Any Director (the “**Appointor**”) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to exercise that Director’s powers and carry out that Director’s responsibilities, in relation to the taking of decisions by the Directors in the absence of the alternate’s Appointor.
- 12.2 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.
- 12.3 Any notice relating to an alternate must identify the proposed alternate and, 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.
- 12.4 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.
- 12.5 Except as the Articles specify otherwise, alternate Directors are deemed for all purposes to be Directors, are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, are not deemed to be agents of 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.
- 12.6 A person who is an alternate Director but not a Director:-
- 12.6.1 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);
 - 12.6.2 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
 - 12.6.3 shall not be counted as more than one Director for the purposes of Articles 12.6.1 and 12.6.2.
- 12.7 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.
- 12.8 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.
- 12.9 An alternate Director’s appointment as an alternate terminates:-
- 12.9.1 when the alternate’s Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 12.9.2 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;
 - 12.9.3 on the death of the alternate’s Appointor; or
 - 12.9.4 when the alternate’s Appointor’s appointment as a Director terminates.

13. APPOINTMENT OF DIRECTORS AND TERMINATION OF APPOINTMENT

- 13.1 The Company may by ordinary resolution appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director.
- 13.2 Any member holding not less than twenty percent of the issued share capital of the Company from time to time shall be entitled by written notice to the Company to appoint a person who is willing to act as a Director as a Director and to remove and replace such Director from time to time.
- 13.3 The Directors may appoint any person who is willing to act as a Director, either to fill a casual vacancy or as an additional Director.
- 13.4 In addition to any other ground of termination of a Director's appointment as may be set out in these Articles or in the Model Articles, the Board may also terminate a Director's appointment by reason of that person's mental health, as soon as a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.

14. PROCEEDINGS OF DIRECTORS

- 14.1 A sole Director shall have and may exercise all the powers of, and the full authority conferred on, the Directors in terms of these Articles, and all references to the Directors in the Articles and Model Articles shall be construed accordingly.
- 14.2 The quorum for the transaction of business of the Directors shall be two Directors, except in the case of a sole Director, when the quorum shall be one.

15. DIRECTORS' CONFLICT OF INTEREST

- 15.1 The Directors may, in accordance with the requirements set out in this Article, 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").
- 15.2 Any authorisation under this Article will be effective only if:-
 - 15.2.1 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;
 - 15.2.2 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
 - 15.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 15.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):-
 - 15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - 15.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
 - 15.3.3 be terminated or varied by the Directors at any time.
- 15.4 This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

- 15.5 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:-
- 15.5.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or
 - 15.5.2 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.
- 15.6 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:-
- 15.6.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
 - 15.6.2 is not given any documents or other information relating to the Conflict; and
 - 15.6.3 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.
- 15.7 Where the Directors authorise a Conflict:-
- 15.7.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
 - 15.7.2 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.
- 15.8 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.

16. REPRESENTATION OF CORPORATIONS

- 16.1 Any corporation which is a member or Director (in this Article called the “**Corporate Appointor**”) may, by resolution of its directors or other governing body, authorise any person to act as its representative (a “**Corporate Representative**”) at, in the case of a member, any general meeting of the Company or at any separate meeting of the holders of any class of shares or, in the case of a Director, at any meeting of the Directors.
- 16.2 The Company may require a certified copy of such a resolution to be delivered at the meeting to the chairman of the meeting or secretary, and unless such certified copy of such resolution is so delivered the authority granted by such resolution may at the discretion of the Board not be treated as valid. The authority granted by any such resolution shall, unless the contrary is stated in the certified copy thereof delivered to the Company pursuant to this Article, be treated as valid for any adjournment of any meeting at which such authority may be used as well as at such meeting.
- 16.3 For the purposes of these Articles, the Corporate Appointor shall be deemed to be present personally at any meeting at which a Corporate Representative is present.

- 16.4 A vote given or, in the case of a general meeting of the Company, poll demanded by a Corporate Representative shall be valid notwithstanding that he is no longer authorised to represent the Corporate Appointor unless notice of the termination was delivered in writing to the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the Corporate Representative proposes to vote.

17. THE SEAL

- 17.1 The Company shall not have a seal.

18. INDEMNITY

- 18.1 Without prejudice to any indemnity to which any person referred to in this Article 18 may otherwise be entitled, every present and former Director, alternate Director, secretary or other officer of the Company (excluding any present or former Auditors) (an “**Indemnified Person**”) shall be indemnified by the Company against all liabilities, costs, charges and expenses incurred by him in the execution and discharge of his duties to the Company and any Associated Company, including any liability incurred by any Indemnified Person in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to be done or omitted by him as an officer or employee of the Company or an Associated Company provided that such indemnity shall not extend to any liability arising out of the fraud or dishonesty of the relevant Indemnified Person (or the obtaining of any personal profit or advantage to which the relevant Indemnified Person was not entitled) and no Indemnified Person shall be entitled to be indemnified for:

- 18.1.1 any liability incurred by him to the Company or any Associated Company of the Company as above defined;
- 18.1.2 any fine imposed in any criminal proceedings;
- 18.1.3 any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
- 18.1.4 any amount for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
- 18.1.5 any amount for which he has become liable in defending any civil proceedings brought by the Company or any Associated Company in which a final judgment has been given against him; and
- 18.1.6 any amount for which he has become liable in connection with any application under sections 661(3) or (4) or 1157 of the Act in which the court refuses to grant him relief and such refusal has become final.

19. INSURANCE

- 19.1 The Company shall have power to purchase and maintain for (i) any Indemnified Person (as defined in Article 18), (ii) any director, secretary or other officer (other than any present or former auditors) or employee of an Associated Company and (iii) any persons who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Associated Company are interested, insurance against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust (actual or purported) by him in relation to the Company or any Associated Company or any such pension fund or employees' share scheme or otherwise in connection with his duties, powers or office.

20. NOTICES

- 20.1 Subject to Article 20.2 anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 20.2 Any notice required or permitted to be given by the Company to a member shall be sufficiently given to that member if sent in a legible form by first class or express registered post ("post"), or airmail, or by personal delivery, including courier delivery, to the registered address of the member, or by electronic mail ("e-mail") to the e-mail address of the member notified to the Company. A notice shall be deemed to have been received: (i) in the case of post, thirty-six hours from midnight (00.00 hrs) on the date of posting, postage prepaid, evidenced by the relevant proof of posting; (ii) in the case of airmail, on the seventh Business Day following mailing, if mailed by airmail, postage prepaid, evidenced by the relevant proof of posting; (iii) in the case of personal delivery, thirty minutes after the time of delivery, evidenced, where appropriate, by the courier's receipt duly counter-signed for or on behalf of the addressee and (iv) in the case of e-mail, when a successful delivery receipt is generated during that or the next Business Day. Where the deemed day of receipt of a notice is not a Business Day or where deemed receipt occurs at the place of delivery on a Business Day but after 1800hrs, that notice shall be deemed to have been received at 0930hrs on the next Business Day.
- 20.3 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 20.4 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 as expressly required in these Articles.

21. PURCHASE OF OWN SHARES

- 21.1 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: (i) £15,000; and (ii) the value of 5% of the Company's share capital.
- 21.2 On a purchase of shares in accordance with Chapter 4 of Part 18 of the Act (a "Buy Back From Reserves"), the Company may:
- 21.2.1 hold the shares (or any of them) in treasury;
 - 21.2.2 deal with any of the shares, at any time, in accordance with section 727 of the Act; or
 - 21.2.3 cancel any of the shares, at any time, in accordance with section 729 of the Act.

22. GOVERNING LAW

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