

P141/19 Pet: Stiffy Shots for rectification re Sec 8 of Law reform

MacRoberts LLP

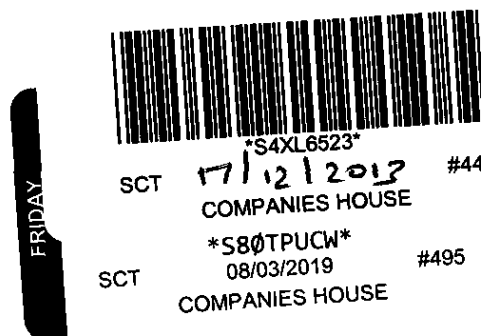
07 March 2019

Lord Bannatyne

The Lord Ordinary, having resumed consideration of the petition and proceedings, no answers having been lodged:

1. orders that the Articles of Association adopted by Stiffy's Shots Limited, a company incorporated under the Companies Acts with company number SC220158 and having its registered office at 7c Bandeath Industrial Estate, Throsk, Stirling FK7 7NP (the "Company") by resolution dated 5 December 2013 (the "Defectively Expressed Articles") be rectified by substituting for the Defectively Expressed Articles the articles of association set out in the Second Schedule appended to the petition (the "Rectified Articles");
2. orders that said amendments be effective from 5 December 2013;
3. appoints intimation of this interlocutor together with a copy of the Rectified Articles to be made by the petitioners forthwith to the Registrar of Companies;
4. appoints the Registrar to register the order together with the Rectified Articles, and decerns.

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SPECIAL RESOLUTION

of

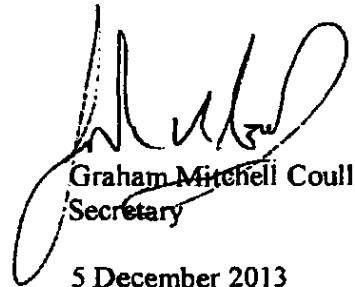
STIFFY'S SHOTS LIMITED
Registered in Scotland No SC220158
Passed on 5 December 2013

At a general meeting of Stiffy's Shots Limited ("the Company") duly convened and held on 5 December 2013 the following resolution was duly passed as a

SPECIAL RESOLUTION

That the Articles of Association of the Company conform to the document laid before the meeting and signed for the purpose of identification by Graham Mitchell Coull be and are hereby adopted as the Articles of Association of the Company in substitution for its Articles of Association adopted on 13th June 2001.

Registered Office:
3 Gateway Business Park
Beancross Road
GRANGEMOUTH
FK3 8WX


Graham Mitchell Coull
Secretary
5 December 2013

TUESDAY

SCT

"S2NEX363"
17/12/2013
COMPANIES HOUSE

#490

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
STIFFY'S SHOTS LIMITED

macROBERTS

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

STIFFY'S SHOTS LIMITED

(Adopted by special resolution passed on 5 December 2013)

1 DEFINITIONS AND INTERPRETATION

1.1 In these Articles unless the context otherwise requires each of the following words and expressions shall have the following meanings:

"Act"	the Companies Act 2006;
"acting in concert"	the meaning set out in the City Code on Takeovers and Mergers for the time being;
"Auditors"	the auditors of the Company for the time being unless auditors are not required pursuant to the Act and have not been appointed, in which case such reference shall mean the accountants of the Company;
"Bad Leaver"	any shareholder who: (1) is in material breach of the Investment Agreement and fails to remedy such breach within 20 days of written request; (2) is guilty of any criminal offence in relation to the business of the Group; or (3) competes (either directly or indirectly through any Connected Person) with the business of the Group;
"Board"	the board of directors of the Company from time to time;
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in Edinburgh for normal banking business;
"Change of Control"	the obtaining of a Controlling Interest by any person or persons, not being a shareholder at the date of adoption of these Articles;
"Controlling Interest"	an interest (as defined in section 820 to 825 of the Act) in Shares in the Company conferring in aggregate more

	than 50% of the total voting rights normally exercisable at a general meeting of the Company;
"connected person"	the meaning given to that expression in section 1122 of the Corporation Tax Act 2010 and "connected with" shall be construed accordingly;
"Deemed Transfer Notice"	has the meaning given at Article 10.2;
"Deferred Shares"	means the deferred ordinary shares of £1 each in the capital of the Company having the rights set out in these Articles;
"Executives"	each of Carlo Louis Valente and Graham Mitchell Coull;
"Existing Shareholders"	those persons holding Shares in the Company immediately prior to the adoption of these Articles being Graham Coull, Gillian Coull and Carlo Valente;
"Fair Value"	the value determined by the Auditors in accordance with Article 11;
"Financial Year"	an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Statutes;
"Group"	the Company, its subsidiary undertakings and any holding company (as both are defined in the Act) from time to time and references to "member of the Group" and "Group Company" shall be construed accordingly;
"Investment Agreement"	the investment agreement dated on or around the date of adoption of these Articles and made between the Company, the Investor, the Existing Shareholders and the Executives as supplemented, varied or replaced from time to time;
"Investor"	Andrew John Richardson;
"Investor Consent"	means the express consent of the Investor subject to Regulation 13.3 hereof;
"Issue Price"	in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium;
"Model Articles"	the model articles for 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;

“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company having the rights set out in these Articles, excluding for the avoidance of doubt the Deferred Shares;
“Seller”	a shareholder who wishes, or is required, to transfer Shares or any interest therein to a person to whom Article 7 (Permitted Transfers) does not apply;
“shareholder”	a person who is entered in the register of members as the holder of Shares;
“Shares”	any share forming part of the share capital of the Company;
“the Statutes”	the Companies Act as defined in section 2 of the Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company;
“Tag Along Offer”	an unconditional offer, open for acceptance for not less than 15 Business Days, to purchase Shares at a price per Share equal to the highest price per Share of the same class (exclusive of stamp duty) paid or to be paid by any transferee referred to in Article 9.1 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Tag Along Offer);
“Transfer Event”	has the meaning given to that term in Article 10; and
“Transfer Price”	in relation to a Transfer Notice given under a voluntary transfer pursuant to Article 8, the price stated in the Transfer Notice or as otherwise determined in accordance with Article 11, or in the case of a Deemed Transfer Notice as determined in accordance with Article 10.4 or Article 10.5.

- 1.2 References to any statute or statutory provision include, unless inconsistent with the context, a reference to that statute or statutory provision as modified, re-enacted or consolidated and in force from time to time, whether before or after the date of these Articles.
- 1.3 Where the word “**address**” appears in these Articles it is deemed to include postal address and, where applicable, electronic address (being any address or number used for the purposes of sending or receiving documents or information by electronic means).
- 1.4 References to a person include any individual, firm, body corporate, unincorporated association or partnership.
- 1.5 References to the plural will include the singular and vice-versa.

- 1.6 Headings are for convenience only and do not affect the construction or interpretation of these Articles.
- 1.7 The Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles. Model Articles 23, 24(2)(d), 26(5) and 49 shall not apply to the Company.
- 1.8 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meaning in these Articles subject to which and unless the context otherwise requires, words and expressions which have a particular meaning in the Act shall have the same meaning in the Articles.

2 SHARE CAPITAL

- 2.1 The issued share capital of the Company following the date of adoption of these Articles is £108,024 divided into 10,000 Ordinary Shares of £0.01 each and 107,924 Deferred Shares of £1 each.
- 2.2 The Ordinary Shares shall be treated *pari passu* in all respects.

3 DIVIDENDS, RETURN OF CAPITAL AND VOTING

3.1 Dividends

- 3.1.1 Any distributable profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of an ordinary resolution of the Company, be applied in distributing such profits amongst the holders of the Ordinary Shares then in issue *pari passu* according to the number of such Ordinary Shares held by them.
- 3.1.2 The Deferred Shares shall not carry any right to dividends until the aggregate dividends received by the holder of each Ordinary Share exceeds £5,000,000 per Ordinary Share held in aggregate at which point the Deferred Shares and the Ordinary Shares shall rank *pari passu* in respect of all future dividends. Model Articles 30 and 34 shall be construed accordingly.

3.2 Voting

- 3.2.1 Each Ordinary Share shall carry the right to vote.
- 3.2.2 The Deferred Shares shall not carry the right to vote.

3.3 Capital

- 3.3.1 On any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any return of capital (except upon the redemption of Shares of any class or the purchase by the Company of any of its own Shares) the surplus assets of the Company remaining after the payment of its liabilities shall be applied as follows:
- (a) first, in distributing the assets to the holders of the Ordinary Shares until the holder of each Ordinary Share in issue has received the sum of £5,000,000 per Ordinary Share held;
 - (b) second, in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares);
 - (c) the balance of the surplus assets (if any) shall be distributed amongst the holders of the Ordinary Shares then in issue *pari passu* according to the

number of such Ordinary Shares held by them.

4 ALLOTMENT OF SHARES

- 4.1 Subject to the further terms of these Articles, the Directors shall not allot any Shares unless notice in writing is given to each holder of Ordinary Shares specifying the number and classes of Shares which are proposed to be issued, the consideration payable for such Shares, and any other material terms or conditions of the proposed issue. Each holder of Ordinary Shares shall be entitled to subscribe for Shares in proportion (as nearly as may be) to their existing holdings of Ordinary Shares ("**Proportionate Entitlement**"). It shall be open to each such shareholder to specify if he is willing to subscribe for Shares in excess of his Proportionate Entitlement ("**Additional Shares**") and, if the shareholder does so specify, he shall state the number of Additional Shares for which he is willing to subscribe.
- 4.2 The notice specified in Article 4.1 shall invite each holder of Ordinary Shares to state, in writing within 21 Business Days from the date of such notice whether he will subscribe for any Shares, and if so, how many Shares.
- 4.3 Within 5 Business Days of the expiry of the invitation made pursuant to the notice given under Article 4.1 the Board shall allocate the Shares in the following manner:
- 4.3.1 if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Board shall allocate the number applied for in accordance with the applications and may dispose of any Shares not accepted by the shareholders (if any) in such manner as they think most beneficial to the Company provided that such Shares shall not be disposed of on terms that are more favourable to the allottee than the terms on which they were offered under this Article 0; or
- 4.3.2 if the total number of Shares applied for is more than the available number of Shares to be issued, each shareholder shall be allocated his Proportionate Entitlement (or such lesser number of Shares to be issued for which he may have applied) and applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition, to each shareholder willing to subscribe for Additional Shares in proportion (as nearly as may be) to the proportion which the Ordinary Shares held by each such shareholder bears to the total number of Ordinary Shares held by all shareholders applying for Additional Shares provided that no such shareholder shall be allocated more Additional Shares than the number for which he stated he was willing to subscribe.
- 4.4 Sections 561 and 562(1) to (5) of the Act do not apply to the Company.

5 RESERVED MATTERS

The shareholders shall exercise all of their powers, including the votes attached to any Ordinary Shares held by them and as directors of the Company (where applicable), so as to ensure that the Company shall not do (nor enter into any agreement to do) any of the following things without (i) the express prior consent of the holders of at least 75% of the Ordinary Shares and (ii) Investor Consent:

- 5.1 alter the share capital of the Company in any way, including any of the rights attached to the Shares;
- 5.2 alter the Articles in any way; and
- 5.3 make any dividend or other distribution.

6 TRANSFER OF SHARES: GENERAL

- 6.1 Subject to the provisions of Article 7, no transfer of any Share shall be made or registered unless such transfer:

- 6.1.1 complies with the provisions of these Articles;
 - 6.1.2 complies with the Investment Agreement;
 - 6.1.3 has been approved by the Directors; and
 - 6.1.4 *the transferee has first entered into a deed of adherence in agreed form in relation to the Investment Agreement.*
- 6.2 No transfer of any Deferred Share shall be made or registered without the consent of all of the holders of Ordinary Shares unless made in accordance with Article 9 or Article 10.

7 PERMITTED TRANSFERS

- 7.1 Subject to there being no outstanding Tag Along Notice under Article 9, transfers in accordance with this Article 7 shall be permitted and the provisions of Articles 8 (Voluntary Transfers) shall not apply to such transfers.
- 7.2 Any shareholder may at any time transfer all or any of his Shares to any other person with the prior written consent of the holders of all Ordinary Shares.

8 VOLUNTARY TRANSFERS

- 8.1 Except as permitted under Article 7 any Seller who wishes to transfer Ordinary Shares shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:
- 8.1.1 the number of Ordinary Shares (the "**Sale Shares**") which he wishes to transfer;
 - 8.1.2 if he wishes to transfer the Sale Shares to a third party, the name of the third party; and
 - 8.1.3 the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**").
- 8.2 Where any Transfer Notice is deemed to have been given in accordance with Article 10 all the Shares registered in the name of the Seller shall be included for transfer.
- 8.3 Once given, a Transfer Notice or Deemed Transfer Notice may not be withdrawn unless it is permitted under Article 8.6 or the Seller is obliged to procure the making of an offer under Articles 9.1 and is unable to procure the making of such an offer. In the event of a Transfer Notice being withdrawn the Seller shall bear all costs incurred by the Company relating to such Transfer Notice.
- 8.4 The Transfer Notice shall constitute the Directors the agents of the Seller for the sale of the Sale Shares at the Transfer Price. As soon as reasonably practicable following receipt by the Company of a Transfer Notice the Directors shall give notice to all holders of Ordinary Shares (other than the Sellers) inviting them to notify the Company in writing within 15 Business Days from the date of such offer (the "**First Offer Period**") confirming: (i) if he requires the Sale Shares to be valued; and (ii) if he does not, the maximum number of Sale Shares they wish to purchase at the Transfer Price.
- 8.5 If before the expiry of the First Offer Period any shareholder confirms in writing that he requires the Sale Shares to be valued in accordance with Article 8.4, the Directors shall instruct the Auditors to undertake a valuation in accordance with Article 11.
- 8.6 Within 7 Business Days of receipt of the Fair Value Certificate (as defined in Article 11) the Directors shall send a copy of such Certificate to the Seller and (other than in the case of a Deemed Transfer Notice) the Seller shall be entitled to revoke the Transfer Notice by notice in writing to the Directors within 7 days of receipt.

- 8.7 If the Transfer Notice is not revoked by the Seller or, in the case of a Deemed Transfer Notice, once the Fair Value has been determined in accordance with Article 11, the Directors shall give notice to all of the holders of Ordinary Shares (other than the Sellers) confirming the value of the Sale Shares as determined in accordance with Article 11 (which shall be the Transfer Price) inviting them to notify the Company in writing within 15 Business Days from the date of such notice (the "**Second Offer Period**") confirming the maximum number of Sale Shares they wish to purchase.
- 8.8 It shall be open to each shareholder to specify if he is willing to purchase Sale Shares in excess of his Proportionate Entitlement (as defined in Article 4.1) ("**Excess Sale Shares**") and, if the shareholder does so specify, he shall state the number of Excess Sale Shares.
- 8.9 8.9.1 Within 3 Business Days of the expiry of the First Offer Period or Second Offer Period (as appropriate) the Board shall allocate the Sale Shares in the following manner:
- 8.9.1.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
- 8.9.1.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares, each applicant shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) and applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, as nearly as may be to the proportion that the number of Ordinary Shares held by each applicant bears to the total number of Ordinary Shares held by all such applicants provided that no shareholder shall be allocated a greater number of Excess Sale Shares than for which he has applied;
- and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Seller and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.
- 8.10 Subject to Article 8.11, the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants free from any lien, charge or encumbrance. If the Seller makes default in so doing any Director shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver a transfer of the relevant Sale Shares and any Director may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members. The Board shall forthwith pay the Transfer Price into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate(s) for the relevant Shares (or an indemnity in respect of any lost certificate) to the Company when he shall thereupon be paid the Transfer Price.
- 8.11 If any Transfer Notice is deemed to have been given in accordance with these Articles, and the total number of Shares applied for by Member Applicants is less than the number of Sale Shares the Directors may within 7 days of the date of the Allocation Notice determine (with Investor Consent) that the Company shall (if it is permitted to do so under the Act) purchase some or all of the Sale Shares. The Directors shall have a period of 60 days from the date of any such determination to obtain any necessary consents and authorities for any such purchase by the Company and to complete the purchase by the Company of the Sale Shares.
- 8.12 In the event of all of the Sale Shares not being sold under the preceding paragraphs of this Article 8 the Seller may, at any time within 3 months after receiving confirmation from the

Company that the provisions herein contained have been exhausted, transfer any Sale Shares which have not been sold to any person or persons at any price not less than the Transfer Price.

- 8.13 The holders of any Shares which are subject of a Transfer Notice or Deemed Transfer Notice shall be entitled to receive notice of and attend general meetings of the Company but shall have no right to:

8.13.1 vote in respect of the Sale Shares; or

8.13.2 participate in any offer of Shares from any other member in accordance with these Articles; and

Model Article 37 shall be modified accordingly.

9 TAG ALONG

Tag along

- 9.1 If in one or a series of related transactions, one or more Sellers propose to transfer any Shares to an arm's length purchaser (who is not an Existing Shareholder or the Investor) for value which would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller or Sellers shall before making such transfer procure that the proposed transferee of the Seller's Shares makes a Tag Along Offer to all of the shareholders to purchase their Shares of that class on the same terms.
- 9.2 The Tag Along Offer shall set out:
- 9.2.1 the identity of the purchaser of the Shares referred to in Article 9.1;
 - 9.2.2 the purchase price ("**Tag Along Price**") including the calculation of any element not payable in cash (including any element that is deferred or contingent) and other terms and conditions of payment;
 - 9.2.3 the proposed date of sale; and
 - 9.2.4 the number and class of Shares proposed to be purchased.
- 9.3 The Tag Along Offer shall be given by written notice at least 30 Business Days before the proposed sale date.
- 9.4 Every shareholder, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (which date shall be specified therein) (the "**Offer Period**") either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). If a Tag Along Offer is not made the Seller or Sellers shall not be entitled to complete the proposed sale and the Board shall not register any transfer to effect the sale.
- 9.5 If the Tag Along Offer is accepted by any shareholder within the Offer Period, the completion of the proposed transfer shall be conditional upon the purchase of all the Shares held by such accepting shareholders.
- 9.6 In the event of disagreement as to the calculation of the Tag Along Price such shall be referred to the Auditors for determination applying the terms of Article 11 mutatis mutandis.
- 9.7 In the event that any Deferred Shares are being acquired in connection with or pursuant to any Tag Along Offer the price (in aggregate) for all such Deferred Shares shall be £1 and the balance of the Tag Along Price shall be deemed to be in respect of the Ordinary Shares.

10 COMPULSORY TRANSFERS

10.1 A "Transfer Event" means:

10.1.1 where the shareholder is an individual going into sequestration, entering into a trust deed for creditors or similar voluntary arrangement, or his death; or

10.1.2 a shareholder becoming a Bad Leaver.

10.2 Upon the happening of any Transfer Event, the shareholder in question shall be deemed to have immediately given a Transfer Notice in respect of all of the Shares then held by him/it (a "**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

10.3 The Shares which are the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 8 as if they were Sale Shares in respect of which a Transfer Notice had been given save that:

10.3.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date upon which the Investor becomes aware that the relevant event is a Transfer Event and has notified the Company that the relevant event is a Transfer Event;

10.3.2 subject to Articles 10.4 and 10.5, the Sale Price shall be a price per Sale Share agreed between the Seller (or their executors or representatives), the Board and the Investor or, in default of agreement, within 14 Business Days after the date of the Transfer Event, the Fair Value; and

10.3.3 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.

10.4 The Sale Price for any Sale Shares which are Deferred Shares and are the subject of a Deemed Transfer Notice shall (in aggregate) be £0.01.

10.5 The Sale Price for any Sale Shares which are Ordinary Shares and are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event shall be their Fair Value.

11 FAIR VALUE

11.1 If the Auditors are required to determine the price at which Shares are to be transferred pursuant to these Articles, such price shall be the amount the Auditors shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation is required), give their written opinion as to the price which represents a fair value for such Shares as between a willing seller and a willing buyer as at the date the Transfer Notice or Deemed Transfer Notice is given. The Directors shall instruct the Auditors to produce a certificate stating such value ("**Fair Value Certificate**") within 20 Business Days of being requested to do so.

11.2 In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles but account shall be taken of the effect of the relevant shareholder ceasing to be an employee, Director or consultant of the Company.

11.3 The Auditors shall act as experts and not as arbiters and their decision shall be conclusive and binding on the Company and all shareholders (in the absence of fraud or manifest error).

11.4 In the event that the Auditors decline to accept an instruction to provide a valuation, then the price will be determined by a firm of independent chartered accountants, such accountants to

be appointed by the Company with Investor Consent.

- 11.5 The Auditors' costs in making any determination referred to them under this Article 11 shall (other than as specifically prescribed in these Articles) be borne by the Company unless the Auditors shall otherwise determine provided that if a Seller revokes a Transfer Notice in accordance with Article 8.6 such costs shall be borne by the Seller.

12 GENERAL MEETINGS

- 12.1 No business shall be transacted at any general meeting unless a quorum of shareholders is present. The quorum for a general meeting shall be 2 shareholders.
- 12.2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days' notice but a general meeting can be called by shorter notice if it is so agreed by the shareholders in accordance with the Act. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting and shall be given in accordance with the Act.
- 12.3 The Company may send a notice of meeting by sending it in electronic form provided it complies with the relevant provision of the Act.

13 APPOINTMENT AND REMOVAL OF DIRECTORS AND INVESTOR CONSENT

- 13.1 Any Director shall only be appointed in accordance with the terms of this Article 13 and Model Article 17(1) (as modified by this Article 13).
- 13.2 The Investor shall be appointed a director of the Company and will be entitled to remain as a director of the Company and of each member of the Group unless disqualified by law or unless removed as a director pursuant to Section 168 of the Act which removal shall be competent only if the Investor shall have disposed of 75% or more of his shareholding in the Company (unless such disposal is to his spouse) or shall have become a Bad Leaver. All requirements for Investor Consent specified herein and the terms of Regulation 15.2 and 15.3 shall cease if the Investor shall have resigned as a director of the Company or shall have disposed of 75% or more of his shareholding in the Company (unless such disposal is to his spouse) or shall have been removed as a director pursuant to Section 168 as a Bad Leaver.

14 ALTERNATE DIRECTORS

- 14.1 Any person may be appointed as an alternate Director by a Director (his "appointor") but shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct.
- 14.2 A Director, or alternate Director, may act as an alternate Director for and represent more than one Director, and an alternate Director shall be entitled at any meeting of the Board (or of any committee of the Board) to one vote for every Director whom he represents (in addition to his own vote (if any) as a Director), but he shall count as only one for the purpose of determining whether a quorum is present at any such meeting.

15 PROCEEDINGS OF DIRECTORS

- 15.1 The quorum for meetings of the Board shall be two Directors. Model Article 11.2 shall be modified accordingly.
- 15.2 The Company shall send to the Investor (in electronic form if required by the Investor):
- 15.2.1 reasonable advance notice of each meeting of the Board (of at least seven Business Days unless the Investor agrees in writing to a shorter notice period for a particular Board meeting), such notice to be accompanied by a written agenda specifying the business to be discussed at the Board meeting together with all

relevant papers; and

15.2.2 as soon as practicable after each Board meeting, a copy of the minutes for that meeting.

15.3 Except with Investor Consent no business shall be transacted at any Board meeting except for that specified in the agenda referred to in Article 15.2.1.

16 CONFLICTS OF INTEREST

16.1 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 which shall include without limitation, conflicts of interest and duty and conflicts of duty ("**Conflict**").

16.2 Any authorisation under this article will be effective only if:

16.2.1 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;

16.2.2 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*

16.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

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

16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

16.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and

16.3.3 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.

16.4 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:

16.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or

16.4.2 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.

16.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

16.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;

- 16.5.2 is not given any documents or other information relating to the Conflict; and
 - 16.5.3 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.
- 16.6 Where the Directors authorise a Conflict:
- 16.6.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
 - 16.6.2 the Director will not, by virtue of the Conflict, infringe any duty he owes to the Company pursuant to 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.
- 16.7 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 NOTICES

- 17.1 Any notice or other communication in connection with these Articles shall be in writing and may be delivered by hand, pre-paid first class post or (subject to the provisions below) by fax (but not by e-mail which shall be invalid other than as specifically permitted in these Articles), to the address or fax number of such party which the recipient has notified in writing to the sender, in accordance with this Article 17 marked for the attention of the recipient.
- 17.2 The notice or communication will be deemed to have been duly served if delivered by hand, at the time of delivery and if delivered by first class post, 2 Business Days after being posted; if delivered by fax, when confirmation on completion of its transmission has been recorded by the sender's fax machine provided that, where in the case of delivery by hand or transmission by fax, such delivery or transmission occurs either after 4.00 pm on a Business Day, or on a day other than a Business Day, service will be deemed to occur at 9.00 am on the next following Business Day.
- 17.3 For the avoidance of doubt and notwithstanding any other provision of these Articles, where Investor Consent is required by the Company, then such approval may be validly sent and requested by email.