

PRIVATE COMPANY LIMITED BY SHARES

NOTICE OF RESOLUTION

OF

THE MALCOLM GROUP LIMITED

(Registered No. SC283168)

(the "Company")

Notice is hereby given that in accordance with Chapter 2 of Part 13 of the Companies Act 2006, on 18 December 2015 the following resolution was passed as a special resolution by the shareholders of the Company by way of written resolution:

"SPECIAL RESOLUTION

THAT, the regulations contained in the document attached hereto are approved and are adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company (the "New Articles")."



Director, for and on behalf of
The Malcolm Group Limited

Date: 18 December 2015

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
THE MALCOLM GROUP LIMITED
Registered No. SC283168

Incorporated in Scotland on the 13th day of April 2005

Adopted on 18 December 2015



Dickson Minto W.S.
Edinburgh

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Company number SC283168

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF**

THE MALCOLM GROUP LIMITED ("Company")
(adopted by written resolution of the company passed on 18 December 2015)

1. CONSTITUTION

- 1.1 The Company is a private company within the meaning of Section 4(1) of the Companies Act 2006 (the "Act") established subject to the provisions of the Act including any statutory modification or re-enactment thereof for the time being in force and the Articles contained in The Model Form Articles for private companies limited by shares as set out in The Companies (Model Articles) Regulations 2008 (Statutory Instrument 2008 No. 3229) (the "Model Articles") with the exception of Articles 2, 11(2), 13, 14, 17, 22(2), 24(2)(c), 38, 44(1), 44(2), 52 and 53, and of any other Articles which are inconsistent with the additions and modifications hereinafter set forth.
- 1.2 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.
- 1.3 In accordance with the Act the objects of the company shall be unrestricted.
- 1.4 The name of the Company may be changed by resolution of the Directors.

2. INTERPRETATION

In these Articles, unless the context otherwise requires, words and expressions shall bear the meaning ascribed to them in Article 16.

3. SHARE CAPITAL

The share capital of the Company at the date of adoption of these Articles is £2,585,000 divided into 10,340,000 Ordinary Shares.

4. RIGHTS ATTACHING TO SHARES

The rights attached to the Ordinary Shares are as follows:-

4.1 Income

Any profits which the Directors may lawfully determine to distribute in respect of any financial year with Majority Shareholder Consent shall be distributed to the holders of the Ordinary Shares (*pro rata* according to the number of Ordinary Shares held).

4.2 Capital

The capital and assets of the Company on a winding-up or other return of capital available for distribution to the members of the Company shall be distributed to the holders of the Ordinary Shares (*pro rata* according to the number of Ordinary Shares held).

4.3 Voting

On a show of hands every holder of Ordinary Shares who (being an individual) is present or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote and on a poll every member holding Ordinary Shares shall have one vote for every such Share of which he is the holder.

5. ISSUE OF NEW SHARES

5.1 Any Shares may be issued with Majority Shareholder Consent on the terms that they are, or at the option of the Company are liable, to be redeemed and the Directors (acting with Majority Shareholder Consent) shall be authorised to determine the terms, conditions and manner of redemption of such Shares.

5.2 The Directors may with Majority Shareholder Consent offer, allot, issue, grant options or rights over or otherwise dispose of any Shares in the Company to such persons, at such times and for such consideration and upon such terms and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors (acting with Majority Shareholder Consent) may determine, but so that no Shares shall be issued at a discount.

5.3 In accordance with Section 567 of the Act, sub-section (1) of Section 561 of the Act shall be excluded from applying to the allotment of equity securities (as defined in Section 560 of the Act).

6. TRANSFERS OF SHARES

6.1 Any Shares and/or any interest therein may only be transferred with Majority Shareholder Consent and the Directors shall decline to register any transfer where Majority Shareholder Consent is not obtained.

6.2 No transfer, disposal, charge, mortgage or other dealing in any Shares or any interest or right therein shall occur other than the transfer of the whole legal and equitable title to such Shares free from all liens, charges and encumbrances.

6.3 The restrictions on transfer contained in this Article 6 shall not apply to any transfer made in accordance with Article 7, Article 8 or Article 9.

7. CESSATION TRANSFERS OF SHARES AND TRANSFERS ON DEATH OR BANKRUPTCY

7.1 Nothing in this Article 7 shall apply to the Founding Managers or any of their Connected Persons none of whom shall be a Relevant Individual for the purposes of Article 7.2.

7.2 If any natural person who is an employee or director of the Company or any of its subsidiary undertakings ("**Relevant Individual**"):

7.2.1 ceases, for any reason (including death), to be an employee or director of the Company, or any of its subsidiary undertakings, and is not continuing as either a director or employee of the Company or any of its subsidiary undertakings; and/or

7.2.2 is, or whose Relevant Transferee is, declared bankrupt or sequestrated, grants a trust deed in favour of an insolvency practitioner, enters into a composition or

other voluntary arrangement for the benefit of his creditors or is the subject of any similar process or procedure in any other jurisdiction ("**Bankrupt**"),

there shall, unless the Majority Shareholders (acting by Majority Shareholder Consent) agree otherwise within thirty days of the Cessation Date, be deemed (in accordance with Article 7.4) to have been served a notice ("**Sale Notice**") by the Relevant Individual and any Relevant Transferee (or their personal representatives in the case of their death) or the trustee in bankruptcy or similar officeholder (as applicable where they are Bankrupt) ("**Compulsory Vendors**") in respect of all their respective holdings of Shares in the Company (howsoever acquired) and the Shares in the Company to which he is or they are or may become entitled whether as a result of his or her holding of Shares or otherwise (together the "**Sale Shares**").

- 7.3 A Sale Notice shall constitute the Company as the agent of a Compulsory Vendor and all Shares the subject of a deemed Sale Notice under this Article 7 shall be offered by the Company as agent of the Compulsory Vendors to such persons (if any) as the Board may determine with Majority Shareholder Consent (and which may include the Company purchasing all or some of the Shares in question).
- 7.4 A Sale Notice deemed to have been given under Article 7.2 shall be deemed to have been given 35 days after the Cessation Date ("**Deemed Notice Date**").
- 7.5 A Sale Notice deemed to be given pursuant to Article 7.2 shall not be capable of revocation, nor may it specify that unless all relevant Shares are sold by the Company pursuant to the Sale Notice, none shall be so sold.
- 7.6 In any case where a Compulsory Vendor is deemed to have given a Sale Notice pursuant to the provisions of this Article 7 and such Compulsory Vendor subsequently becomes the holder of further Shares in the Company by virtue of the holding of any Shares comprised in such Sale Notice (whether by way of rights or bonus issue, conversion, transfer or otherwise howsoever), such Compulsory Vendor shall be deemed to have served a Sale Notice pursuant to this Article 7 in respect of such further Shares.
- 7.7 The price for the Sale Shares shall be as follows:
 - 7.7.1 in respect of those Sale Shares where the Cessation Date is prior to the Relevant Date (a) if the Relevant Individual is a "Bad Leaver", the price shall be the Market Value of those Sale Shares as at the Cessation Date, or, if less, the Acquisition Price of those Sale Shares and (b) if the Relevant Individual is a "Good Leaver", the price shall be the Market Value of those Sale Shares as at the Cessation Date;
 - 7.7.2 in respect of those Sale Shares where the Cessation Date is on or after the Relevant Date, the price shall be the Market Value of those Sale Shares as at the Cessation Date unless the Relevant Individual ceases to be an employee or director due to valid summary dismissal or summary termination of his contract of employment or the contract under which he is engaged by the relevant member of the Group, by reason of (a) fraud or (b) gross misconduct, in which case the price shall be the Market Value of the Sale Shares as at the Cessation Date or, if less, the Acquisition Price of the Sale Shares.

For the avoidance of doubt, Article 7.7.1 may apply to some of the Sale Shares held by a Compulsory Vendor with Article 7.7.2 applying to the other Sale Shares held by that Compulsory Vendor (and it shall be assumed for these purposes that Relevant Transferees have acquired from a Relevant Individual the Shares most recently acquired by that Relevant Individual at the time of transfer).

7.8 For the purposes of Article 7.7:

7.8.1 the "**Market Value**" shall be the price agreed between the Compulsory Vendors and the Board acting with Majority Shareholder Consent or, if they fail to agree a price within 21 days of the Deemed Notice Date (as defined in Article 7.4), the price certified by the Auditors or if the Auditors refuse or are unwilling to act, the Independent Accountants acting as experts and not as arbitrators, to be the Fair Value of the Sale Shares upon the Cessation Date, but taking into account the effects on the Company of the employee or director in question ceasing to be an employee or director as the case may be. The costs of the Auditors shall be borne by the Compulsory Vendors;

7.8.2 a "**Good Leaver**" is a person (a) who ceases to be an employee and director because of (i) death, (ii) retirement in accordance with his contract of employment at normal retiring age, (iii) permanent incapacity due to ill health entitling the Company to dismiss him, (iv) redundancy, (v) wrongful dismissal by the Company or (vi) dismissal by the Company which is substantively unfair as the reason for the dismissal does not fall within one of the potentially fair reasons for dismissal under Section 98 of the Employment Rights Act 1996, provided that any dismissal which is unfair purely on procedural grounds will not be treated as unfair dismissal for this purpose (for the avoidance of doubt but without prejudice to the foregoing generality, procedural grounds includes any failure to follow disciplinary procedures, any failure to address performance issues prior to dismissal and any failure to consult in a redundancy situation) or (b) who is otherwise categorised as a Good Leaver within 30 days of the Cessation Date by the Board acting with Majority Shareholder Consent;

7.8.3 a "**Bad Leaver**" is a person who ceases to be an employee and director and/or is Bankrupt and who is not a Good Leaver.

7.9 The Company shall, immediately, upon finding purchaser(s) for the Sale Shares:

7.9.1 give notice ("**Allocation Notice**") thereof to the Compulsory Vendor and each person to whom Sale Shares are to be transferred. The Compulsory Vendor shall then become bound to sell and transfer the Sale Shares to the respective purchasers, free from all liens, charges, encumbrances and third party rights, and together with all rights attaching thereto at the date of sale;

7.9.2 the Allocation Notice shall state the name and address of each of the purchasers and the number of Sale Shares to be purchased by him and the aggregate price payable and shall designate a place and a time (being not less than three nor more than ten days following the date of the notice) for completion of the sale of the Sale Shares comprised in such notice;

7.9.3 completion of the sale and purchase of the Sale Shares will take place at the place and time specified in the Allocation Notice when the Compulsory Vendor will, upon payment of the due price, deliver duly executed stock transfer form(s) in respect of those Sale Shares specified in the Allocation Notice, and deliver the relevant share certificates (or a suitable indemnity in respect thereof) to the person(s) to whom they have been allocated.

7.10 If any Compulsory Vendor shall fail to deliver duly executed stock transfer form(s) in respect of his Sale Shares together with the relevant share certificates (or a suitable indemnity in respect thereof):

- 7.10.1 the Directors may authorise some person to execute and deliver, on his behalf a transfer or transfers of such Sale Shares to the purchaser or purchasers;
- 7.10.2 the Company may give a good receipt to the purchaser or purchasers for the purchase price of such Sale Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same, whereupon the purchaser or purchasers shall become indefeasibly entitled thereto; and
- 7.10.3 the Compulsory Vendor shall, in such case, be bound to deliver up his certificates for the Sale Shares to the Company (or a suitable indemnity in respect thereof), whereupon the Compulsory Vendor shall be entitled to receive the purchase price, which shall in the meantime be held by the Company on trust for the Shareholder, but without interest.
- 7.11 Unless the Majority Shareholders direct otherwise in writing, any Shares held by a Compulsory Vendor on the Cessation Date (and any Shares issued to a Compulsory Vendor after such date by virtue of the exercise of any right or option granted or arising by virtue of his or its holding of the Sale Shares) will cease to confer the right to be entitled to receive notice of, attend and vote at any general meeting of the Company, or any meeting of the holders of any class of Shares, with effect from the Cessation Date (or, where appropriate, the date of issue of such Shares, if later), and such Shares will not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any shareholders or any class of shareholders. That right will be restored immediately upon the Company registering a valid transfer of such Shares in accordance with this Article 7.
- 7.12 For the avoidance of doubt, where an individual is employed by and/or serves as a director of a company which is a subsidiary undertaking of the Company, this Article 7 shall apply upon that company ceasing to be within the Group and the individual not continuing to be an employee or director of any member of the Group.
- 7.13 The Board (acting with Majority Shareholder Consent) may, by notice in writing served on a Compulsory Vendor (in the Sale Notice or otherwise) (a) specify that not all or none of a Compulsory Vendor's shares are to be the subject of the Sale Notice; and/or (b) specify that a Bad Leaver shall be deemed to be a Good Leaver for the purposes of this Article 7 in respect of all or some of the Shares held by that Bad Leaver and/or his Relevant Transferees; and/or (c) specify that the price for the Sale Share is greater than that determined in accordance with this Article 7 in respect of all or some of the Shares held by a Compulsory Vendor.

8. MANDATORY OFFER ON CHANGE OF CONTROL

- 8.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to Article 6 or Article 9), whether made as one or as a series of transactions (a "**Proposed Transfer**") would, if completed, result in any person other than a Founding Manager or a Connected Person of a Founding Manager (the "**Buyer**"), together with any person acting in concert with the Buyer (other than a Founding Manager or a Connected Person of a Founding Manager), acquiring more than 75 per cent in nominal value of the issued shares in the Company, the remaining provisions of this Article 8 shall apply.
- 8.2 The Company shall endeavour to procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the "**Offer**") to each shareholder who is not a party to the Proposed Transfer (each an "**Offeree**") on the date of the Offer, to buy all of the Ordinary Shares held by such Offerees on the date of the Offer for a consideration per share (in cash or otherwise) for each Ordinary Share (the "**Offer Price**") which is equal to that offered or paid

or agreed to be paid by the Buyer or any person acting in concert with the Buyer for such Shares as have led to the operation of this Article 8.

- 8.3 The Offer shall be made by notice in writing (an "**Offer Notice**") addressed to each Offeree at least ten Business Days (the "**Offer Period**") before the date fixed for completion of the Proposed Transfer (the "**Sale Date**"). The Offer Notice shall specify:

- 8.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- 8.3.2 the Offer Price and any other terms and conditions of the Offer;
- 8.3.3 the Sale Date; and
- 8.3.4 the number of Ordinary Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

- 8.4 The completion of the Proposed Transfer shall be conditional in all respects on:

- 8.4.1 the making of an Offer in accordance with this Article 8; and
- 8.4.2 the completion of the transfer of any Ordinary Shares by any Offeree who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this Article 8.4.

9. DRAG ALONG

- 9.1 If the Majority Shareholders ("**Selling Shareholders**") wish to transfer all of their interest in Ordinary Shares ("**Sellers' Shares**") to a *bona fide* purchaser on arm's-length terms ("**Proposed Buyer**"), the Majority Shareholders shall have the option ("**Drag Along Option**") to require all the other holders of Ordinary Shares on the date of the request ("**Called Shareholders**") to sell and transfer all their legal and beneficial interest in Ordinary Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 9.

- 9.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a "**Drag Along Notice**"), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

- 9.2.1 that the Called Shareholders are required to transfer all their Ordinary Shares ("**Called Shares**") pursuant to this Article 9;
- 9.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- 9.2.3 the consideration payable for the Called Shares calculated in accordance with Article 9.4; and
- 9.2.4 the proposed date of completion of transfer of the Called Shares.

- 9.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within thirty Business Days of serving the Drag Along

Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 9.4 The consideration for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be a consideration per Share (in cash or otherwise) for each Called Share which is equal to that offered or paid or agreed to be paid by the Proposed Buyer for each Ordinary Share held by the Majority Shareholders (provided that the Selling Shareholders may require the Called Shareholders to receive the cash equivalent of any non-cash consideration that is paid).
- 9.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 9.
- 9.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 9.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
- 9.6.2 that date is less than five Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place five Business Days after the date of service of the Drag Along Notice.
- 9.7 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Called Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof) to the Company. Within five Business Days of the date of completion of the sale and purchase of the Called Shares (the "Completion Date") the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 9.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 9.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 9.4 in trust for the Called Shareholders without any obligation to pay interest.
- 9.8 To the extent that the Proposed Buyer has not, on or prior to the Completion Date, put the Company in funds to pay the amounts due pursuant to Article 9.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under the relevant Drag Along Notice in respect of their Called Shares.
- 9.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and/or attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate (or a suitable indemnity in respect thereof) shall not impede the registration of any transfer of Shares under this Article 9.

- 9.10 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Ordinary Shares, (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 9 shall apply *mutatis mutandis* to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the Completion Date.

10. PROCEEDINGS AT GENERAL MEETINGS

- 10.1 A general meeting may consist of a conference between shareholders, some or all of whom are in different places if each shareholder who participates is able:

10.1.1 to hear each of the other participating shareholders addressing the meeting; and

10.1.2 if he so wishes, to address all of the other participating shareholders simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods.

A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of shareholders required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each shareholder indicating to the chairman (in such manner as the chairman may direct) whether the shareholders vote in favour of or against the resolution or abstains. References in this Article 10.1 to shareholders includes their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

- 10.2 The quorum for any general meeting of the Company or any adjourned general meeting shall be persons present in person or by proxy, who constitute Majority Shareholders. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business.
- 10.3 A poll may be demanded by the chairman or by any member present in person or by proxy or, if a corporation by any representative duly authorised and entitled to vote at the meeting. A poll demanded will be taken immediately.
- 10.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman will not be entitled to a casting vote in addition to any other vote which he may have.
- 10.5 There is no requirement for the Company to hold an annual general meeting.

11. DIRECTORS

- 11.1 Unless and until otherwise determined by ordinary resolution of the Company the number of Directors shall be not less than two.
- 11.2 The Majority Shareholders may at any time and from time to time, remove any Director from office or appoint any person to be a Director. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may

consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. This Article 11.2 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.

11.3 In addition, the office of a Director shall be vacated:

- 11.3.1 if he becomes bankrupt or suspends payment of or compounds with his creditors;
- 11.3.2 if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health or otherwise incapacitated;
- 11.3.3 if by notice in writing to the Company he resigns his office; and/or
- 11.3.4 if he is prohibited by law from being a Director or ceases to be a Director by virtue of the Act or any statutory modification or re-enactment thereof.

11.4 In the case of any resolution proposed to remove a Founding Manager as a Director whether under Section 168 of the Act or otherwise, that Founding Manager shall (provided he is a shareholder) be entitled to cast such number votes as is necessary to defeat the resolution.

12. PROCEEDINGS OF DIRECTORS

- 12.1 The quorum necessary for the transaction of business at any meeting of the Directors shall be two (one of whom must be Walter Malcolm (for so long as he is a Director) and the other of whom must be Andrew Malcolm (for so long as he is a Director)).
- 12.2 Any Director enabled to participate in the proceedings of a meeting of the Board or a committee of the Directors by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device) to hear and speak at all times to such Director, and such Director to hear and speak at all times to all other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device), shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
- 12.3 The Chairman of the Board shall not have a casting vote at board meetings.
- 12.4 A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the same form, each signed by one or more of the Directors.
- 12.5 A Director who is in any way, whether directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest at a meeting of the Directors in accordance with Section 177 and/or Section 182 of the Act. Subject to such disclosure as aforesaid a Director may vote in respect of any contract or proposed contract or arrangement in which he is interested and if he does so vote his vote shall be counted and he may be counted in ascertaining whether a quorum is present at any meeting at which any such contract or proposed contract or arrangement shall come before the Directors for consideration and may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom. For the purposes of this Article:

- 12.5.1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- 12.5.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 12.6 In respect of any situation in which a Director has, or may have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the Directors may authorise the matter, on such terms as they may determine, provided that:
 - 12.6.1 the Director has declared the full nature and extent of the situation to the Directors; and
 - 12.6.2 it is proposed (either by the Director in question or another) that the Directors authorise the matter and upon the resolution to do so the requirement for the quorum is met without counting the Director in question and the resolution was agreed to without such Director voting or would have been agreed to if that conflicted Director's vote had not been counted.
- 12.7 Any terms determined by the Directors under Article 12.6 may be imposed at the time of authorisation or may be imposed subsequently and may include (without limitation):
 - 12.7.1 the exclusion of the interested Director in question from all information and discussion by the Company of the situation in question; and
 - 12.7.2 (without prejudice to the general obligations of confidentiality) the application to the interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the situation in question.
- 12.8 Any authorisation given by the Directors under Article 12.6 may provide that, where the interested Director obtains (other than through this position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 12.9 A Director is not, except as otherwise agreed by him, accountable to the Company for any profit, remuneration or other benefit which he (or a person connected with him) derives from any matter authorised by the Directors in accordance with this Article 12 and any contract, transaction or arrangement relating to such matter shall not be liable to be avoided on the grounds of any such profit, remuneration or benefit.
- 12.10 The authorisation under this Article 12 may be terminated by the Directors at any time.
- 12.11 Each Director of the Company is hereby authorised to act as a director of any other company within the Company's group (as defined in Section 474 of the Act) and to vote on business to be transacted with any such other company, notwithstanding that his acting in such a capacity might otherwise be considered to give rise to a breach of Section 175 and/or Section 182 or any other duty applicable to Directors under the Act.

13. COMMITTEES

The Directors (acting with Majority Shareholder Consent) may delegate any of the powers which are conferred on them under the Articles to a committee of Directors.

14. LIEN

The Company shall have a first and paramount lien on every Share for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share and the Company shall also have a first and paramount lien on all Shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article 14.

15. INDEMNITIES

15.1 Subject to the provisions of and so far as may be consistent with the Act (but without prejudice to any indemnity to which the person concerned may otherwise be entitled) every person who is or was at any time a director, secretary, other officer or employee of the Company shall be entitled, if the Directors so resolve, to be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in or in connection with the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, power or office in relation to the Company as considered by the Directors to be necessary or desirable. If the Directors so resolve, the Company may also fund any such person's expenditure on defending proceedings, subject to the provisions of and so far as may be consistent with the Act.

15.2 Subject to the provisions of and so far as may be consistent with the Act, the Directors shall have power to purchase and maintain, at the cost of the Company, insurance for, or for the benefit of, every person who is or was at any time a director, secretary, other officer or employee of the Company against any liabilities.

16. DEFINITIONS AND INTERPRETATION

16.1 In these Articles, the following words and expressions shall (except where the context otherwise requires) have the following meanings:

"Act" has the meaning given in Article 1.1;

"acting in concert" shall bear the meaning attributed thereto in the City Code on Takeovers and Mergers;

"Acquisition Price" shall mean in respect of any Share the lower of (a) the Issue Price and (b) the price paid by the relevant transferor for such Share;

"Allocation Notice" has the meaning given in Article 7.9;

"Auditors" means the auditors from time to time of the Company;

"Bad Leaver" has the meaning given in Article 7.8.3;

"Bankrupt" has the meaning given in Article 7.2;

"Board" means the board of Directors of the Company from time to time;

"Business Day" means a day (which for these purposes ends at 5.30 p.m.) on which banks are open for commercial business in the City of London, other than a Saturday or Sunday;

"Buyer" has the meaning given in Article 8.1;

"Called Shareholders" has the meaning given in Article 9.1;

"Called Shares" has the meaning given in Article 9.2.1;

"Cessation Date" means the date on which the Relevant Individual concerned either (i) ceases to be a director or employee as aforesaid or (ii) becomes Bankrupt;

"Completion Date" has the meaning given in Article 9.7;

"Compulsory Vendors" has the meaning given in Article 7.2;

"Connected Persons" shall have the meaning given by Section 1122 of the Corporation Tax Act 2010;

"Deemed Notice Date" has the meaning given in Article 7.4;

"Directors" means the directors from time to time of the Company;

"Drag Along Notice" has the meaning given in Article 9.2;

"Drag Along Option" has the meaning given in Article 9.1;

"Fair Value" means the market value calculated on the basis of a sale by a willing seller to a willing buyer and valuing those Shares on a *pro rata* basis to the value represented by the whole of the issued share capital of the Company and taking no account of any transfer restrictions which apply to such Shares pursuant to these Articles;

"Founding Managers" means each of Andrew B Malcolm and Walter H Malcolm;

"Good Leaver" has the meaning given in Article 7.8.2;

"Group" means the Company and its subsidiary undertakings from time to time, and references to a "member of the Group" or a "Group member" shall be construed accordingly;

"Independent Accountant" means such firm of chartered accountants (other than the Auditors) acting as experts and not as an arbitrator as may be agreed between the relevant parties or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in Scotland (or any successor body thereto) at the request of any of the relevant parties;

"Issue Price" means in relation to any Share, the price (including any premium) at which that Share was issued;

"Majority Shareholder Consent" means the prior written consent of the Majority Shareholders;

"Majority Shareholders" means the holders of not less than 75 per cent. of the Ordinary Shares in issue from time to time;

"Market Value" has the meaning given in Article 7.8.1;

"Model Articles" has the meaning given in Article 1.1;

"New Shareholder" has the meaning given in Article 9.10;

"Offer" has the meaning given in Article 8.2;

"Offeree" has the meaning given in Article 8.2;

"Offer Price" has the meaning given in Article 8.2;

"Offer Notice" has the meaning given in Article 8.3;

"Offer Period" has the meaning given in Article 8.3;

"Ordinary Share" means an ordinary share of 25 pence in the capital of the Company, having the rights and being subject to the restrictions set out in these Articles;

"Proposed Buyer" has the meaning given in Article 9.1;

"Proposed Transfer" has the meaning given in Article 8.1;

"Relevant Date" means:

- (i) in respect of those Shares held on the date of adoption of these Articles by any Relevant Individual who is a member of the Company on the date of the adoption of these Articles, 25 April 2010;
- (ii) in respect of those Shares allotted after the date of the adoption of these Articles to any Relevant Individual who is a member of the Company on the date of the adoption of these Articles, the date falling on the fifth anniversary of the date on which such Shares were allotted; and
- (iii) in respect of those Shares allotted after the date of the adoption of these Articles to any Relevant Individual who is not a member of the Company on the date of the adoption of these Articles, the date falling on the fifth anniversary of the date on which any Relevant Individual who was not a member of the Company on the date of the adoption of these Articles became a member;

"Relevant Individual" has the meaning given in Article 7.2;

"Relevant Transferee" means any person who holds Shares that were previously held by the Relevant Individual, whether held as a result of a direct transfer of Shares by the Relevant Individual or otherwise;

"Sale Date" has the meaning given in Article 8.3;

"Sale Notice" has the meaning given in Article 7.2;

"Sellers' Shares" has the meaning given in Article 9.1;

"Selling Shareholders" has the meaning given in Article 9.1;

"Shares" means the Ordinary Shares;

"Shareholder" means a registered holder of Shares;

"subsidiary undertaking" shall have the meaning ascribed thereto in Section 1162 of the Companies Act 2006.

- 16.2 Words incorporating the masculine gender only include the feminine and neuter genders, and words incorporating the singular number only include the plural and vice versa.
- 16.3 Clause headings are for ease of reference only and do not affect the construction or interpretation of these Articles.
- 16.4 References to persons shall include bodies corporate, unincorporated associations and partnerships.
- 16.5 Words and expressions defined in or for the purposes of the Act or the Model Articles shall, save as otherwise specifically defined in these Articles, have the same meanings in these Articles unless the context otherwise requires.