

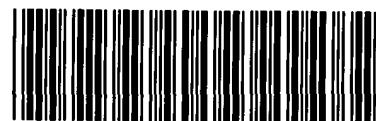
THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
LOCHAY HOMES LIMITED
(Registered Number SC369988)

These are the Articles of Association adopted by Special Resolution of the Members passed on 14 September 2023

Andrew Richard Reid, Director



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THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES

ARTICLES of ASSOCIATION

of

LOCHAY HOMES LIMITED (Company Number: SC369988)

Adopted by Special Resolution on [14- September 2023]

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

Act: the Companies Act 2006;

acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);

appointor: has the meaning given in Article 12.1;

Articles: the Company's articles of association for the time being in force;

Business Day: any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in Edinburgh are generally open for business;

Conflict: has the meaning given in Article 9.1;

Controlling Interest: an interest in shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets;

Dividend Payment Day: 31 March, 30 June, 30 September and 31 December;

Eligible Director: any Eligible A Director or Eligible B Director (as the case may be);

Eligible A Director: an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter);

Eligible B Director: a B Director who would be entitled to vote on the matter at a meeting of directors (but excluding any B Director whose vote is not to be counted in respect of the particular matter);

Family Trust: as regards any particular shareholder who is an individual (or deceased or former shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the particular shareholder and/or any of the Privileged Relations of that shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof

is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

Interested Director: has the meaning given in Article 9.1;

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;

Model Articles: 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;

Original Shareholder: has the meaning given in Article 16.7.1;

Permitted Transferee: in relation to:

- a) a shareholder who is an individual, any of their Privileged Relations or the trustee(s) of a Family Trust; and
- b) a shareholder which is a company, a Member of the Same Group as that company;

Preference Shares: the 7% cumulative preference shares of £1 each in the capital of the Company;

Preferential Dividend: has the meaning ascribed to it in Article 14.1(a);

Privileged Relation: in relation to a shareholder who is an individual (or a deceased or former shareholder who is an individual), a spouse, civil partner, child or grandchild (including step or adopted or illegitimate child and their issue);

Sale Proceeds: the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those shareholders selling shares under a Share Sale (less any fees and expenses payable by the selling shareholders under that Share Sale);

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those shares (or grantee of that right) and persons acting in concert with the buyer of those shares together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the shareholders and their respective shareholdings in the Company immediately before the sale;

Transfer Notice: a notice in writing given by any shareholder to directors where that shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares. Where such notice is deemed to have been served it shall be referred to as a Deemed Transfer Notice;

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of Article 16, Article 17 and Article 18, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

A Director: any director appointed to the Company by holders of the A Shares;

B Director: any director appointed to the Company by holders of the B Shares;

A Share: an ordinary share of £1 each in the capital of the Company designated as an A Share;

B Share: an ordinary share of £1 each in the capital of the Company designated as a B Share; and

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

2A. ADOPTION OF THE MODEL ARTICLES

- 2A.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2A.2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), and 49 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2A.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2A.4 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2A.5 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

2B. CONSTITUTION

- 2B.1 The Company is a private company within the meaning of section 4(1) of the Act.

- 2B.2 The Company's name is "Lochay Homes Limited".
- 2B.3 The Company's registered office is situated in Scotland.
- 2B.4 The objects of the Company are unrestricted.

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Meetings of the directors shall take place at least two times each year, with a period of not more than twenty six weeks between any two meetings.
- 3.4 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors shall be decided by a majority of votes.
- 3.5 If at any time at or before any meeting of the directors or of any committee of the directors, all A Directors participating or all B Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with Article 7.

5. NUMBER OF DIRECTORS

The number of directors shall not be less than two made up of at least one A Director and one B Director.

6. CALLING A DIRECTORS' MEETING

- 6.1 Any director may call a meeting of directors by giving not less than five Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by the A Director and the B Director) to each director.
- 6.2 Notice of any directors' meeting must be accompanied by:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- (b) copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one shall be an Eligible A Director (or his alternate), and one shall be an Eligible B Director (or his alternate). No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place.

8. CHAIRING OF DIRECTORS' MEETINGS

One of the A Directors shall be the chairman of the directors but the chairman shall not have a casting vote.

9. DIRECTORS' INTERESTS

9.1 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 (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

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

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration 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;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

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

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of

dealing with the Conflict as the directors think fit;

- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 Any A Director or B Director shall be entitled from time to time to disclose to the holders of the A Shares or (as the case may be) the holders of the B Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A shareholder or (as the case may be) B shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
- 9.7 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 9.8.
- 9.10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with Article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
 - (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

10. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

11. APPOINTMENT AND REMOVAL OF DIRECTORS

- 11.1 The holder of a majority of the A Shares for the time being shall be entitled to appoint one or more persons to be an A Director of the Company. The holder of a majority of the B Shares for the time being shall be entitled to appoint one person to be a B Director of the Company.
- 11.2 Any A Director may at any time be removed from office by the holder of a majority of the A Shares and any B Director may at any time be removed from office by the holder of a majority of the B Shares. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.
- 11.3 For as long as there shall be only one A Director and one B Director, if any A Director or any B Director shall die or be removed from or vacate office for any cause, the holder of a majority of the B Shares (in the case of the A Director) or the holder of a majority of the A Shares (in the case of the B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).
- 11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder of a majority of the A Shares or B Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office, or delivered to a duly constituted meeting of the directors of the Company. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

- 11.5 The right to appoint and to remove A or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively.
- 11.6 If no A Shares or B Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation.
- 11.7 No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

12. ALTERNATE DIRECTORS

- 12.1 Any director (other than an alternate director) (in this article, the **appointor**) may appoint any person (whether or not a director), except for an existing director representing the other class of shares, to be an alternate director 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. In these Articles, where the context so permits, the term "A Director" or "B Director" shall include an alternate director appointed by an A Director or a B Director (as the case may be). A person may be appointed an alternate director by more than one director provided that each of his appointors represents the same class of shares but not otherwise.
- 12.2 Any appointment or removal of an alternate director 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 The notice must:
 - (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director 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:
 - (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and
 - (d) are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a shareholder.
- 12.6 A person who is an alternate director but not a director:
 - (a) 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); and
 - (b) may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself

participate).

- 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).
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate terminates:
 - (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (b) 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; or
 - (c) when the alternate director's appointor ceases to be a director for whatever reason.

13. SHARE CAPITAL

- 13.1 The share capital of the Company comprises :

- (a) the A Shares;
- (b) the B Shares; and
- (c) the Preference Shares.

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

- 13.2 On the transfer of any ordinary share as permitted by these Articles:

- (a) an ordinary share transferred to a person who does not hold ordinary shares in the Company shall remain of the same class as before the transfer; and
- (b) an ordinary share transferred to an ordinary shareholder shall automatically be redesignated on transfer as a share of the same class as those ordinary shares already held by the shareholder.

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

- 13.3 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by

proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

13.4 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

- (a) any alteration in the Articles;
- (b) any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
- (c) the institution of any proceedings or the making of any application for, or the passing of any resolution for the winding up or administration of the Company;
- (d) the grant of an option to subscribe for shares in the Company or the issue of any securities or instruments convertible into shares in the Company; and
- (e) by the passing of any resolution to approve a contract by the Company to purchase any of its shares.

14. PREFERENCE SHARES

14.1. Income

- (a) The Company shall, without resolution of the board or of the Company and before application of any profits to reserve or for any other purpose, pay in respect of each Preference Share, out of the profits of the Company available for distribution, a fixed cumulative preferential dividend at the annual rate of 7% (or such other rate as may be agreed from time to time between the directors and each of the shareholders holding Preference Shares) of the nominal value of each Preference Share (**Preferential Dividend**).
- (b) The Company shall pay each Preferential Dividend in cash in quarterly equal instalments on each Dividend Payment Day in each year (or if any such day is not a Business Day, on the last Business Day before such Dividend Payment Day) to the person registered as the holder of the Preference Share at that date. The Preferential Dividend shall accrue daily, as well after as before the commencement of a winding up, and shall be calculated on the basis of a 365-day year and the number of days elapsed. The first payment shall be made on 29 September 2023 for the period from and including the date of issue of any Preference Share to and including the first payment date.
- (c) The Preferential Dividend shall, provided that the Company has sufficient distributable profits out of which to pay the same and notwithstanding that such dividend is expressed to be cumulative, automatically become a debt due from and immediately payable by the Company on the relevant payment date specified in Article 14.1(b).
- (d) If, as a result of not having sufficient distributable profits, the Company is unable to pay in full on the due date any instalment of the Preferential Dividend, it shall on such date pay the same to the extent that it is lawfully able to do so and the unpaid amount shall carry interest at the annual rate of 9% in respect of the period from and including the relevant payment date down to and including the date of actual payment. Such interest shall accumulate and form part of the Preferential Dividend to which it relates. It shall not, therefore, become payable until the Company has

sufficient distributable profits with which to pay the unpaid amount of any instalment of the relevant Preferential Dividend.

- (e) If, as a result of not having sufficient distributable profits, the Company is in arrears with the payment of any instalment of the Preferential Dividend, the first available distributable profits arising shall (subject to Article 14.1(d)) be applied in or towards paying off all accruals and/or unpaid amounts of Preferential Dividend.
- (f) The Company shall not declare or pay any further dividend unless all arrears and accruals of the Preferential Dividend have been paid.

14.2. **Capital**

On a return of capital on liquidation, reduction of capital or otherwise (except on a redemption or purchase by the Company of any of its own shares), the holders of the Preference Shares shall be entitled, in priority to any return of capital on any other class of shares, to repayment of the amount paid up or credited as paid up on each Preference Share, together with a sum equal to any arrears and accruals of the Preferential Dividend on each such share calculated down to and including the date of the return of capital. If, upon any return of capital, the amounts available for payment are insufficient to cover the amounts payable in full on the Preference Shares, the holders of the Preference Shares shall share rateably in the return of capital pro rata to the aggregate amounts to which they are respectively entitled.

14.3. **Voting**

- (a) The holders of the Preference Shares shall not, in such capacity, be entitled to receive notice of, or to attend or vote at, any general meeting of the Company and shall not be entitled to receive a copy of or vote on any written resolution of the Company, in each case in respect of the Preference Shares held by them, unless:
 - (i) at the date of the notice convening the general meeting or the date on which the written resolution is circulated, any instalment of the Preferential Dividend is more than twenty Business Days in arrears after any date fixed for payment of such Preferential Dividend (irrespective of whether such payment would be unlawful), in which case the holders of the Preference Shares shall (subject to the Act) be entitled to attend, speak and vote on any resolution at such general meeting or receive a copy of and vote on any written resolution of the Company (as the case may be); or
 - (ii) there is to be proposed at the general meeting or in the written resolution a resolution for the winding up of the Company, a resolution for a reduction in the capital of the Company or any resolution varying any rights attaching to the Preference Shares, in which case the holders of the Preference Shares shall be entitled to attend the whole of the general meeting and speak and vote only on any such resolutions, or receive a copy of the written resolution and vote only on any such winding up, reduction of capital and variation of rights resolutions (as the case may be).
- (b) Whenever the holders of the Preference Shares are entitled to vote on a resolution at a general meeting of the Company, every such holder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall, on a show of hands, have one vote and, on a poll, every such holder shall have one vote for each Preference Share held by them.
- (c) The provisions of Article 14.3(a) shall:

- (i) in the case of Article 14.3(a)(i), continue to apply until due payment has been made of all accruals and/or unpaid amounts of the Preferential Dividend; and
- (ii) in the case of Article 14.3(a)(ii), only apply in relation to such resolutions as are there mentioned.

14.4 Exit provisions

- (a) On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in Article 14.2. The directors shall not register any transfer of shares if the Sale Proceeds are not distributed in that manner (save in respect of any shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:
 - (a) the Directors may register the transfer of the relevant shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 14.2; and
 - (b) each shareholder shall take any reasonable action (to the extent lawful and within its control) required by the shareholders holding Preference Shares to ensure that the balance of the Sale Proceeds is distributed in the order of priority set out in Article 14.2.
- (b) On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 14.2, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each shareholder shall (to the extent lawful and within its control) take any reasonable action required by the shareholders holding Preference Shares (including, but without prejudice to the generality of this Article 14.4, such action as may be necessary to put the Company into voluntary liquidation so that Article 14.2 applies).

15. UNISSUED SHARES

- 15.1 Any unissued ordinary shares (whether forming part of the original share capital or not) shall, before they are issued, be offered to the holders of ordinary shares in proportion, as nearly as may be, to the number of ordinary shares held by them immediately prior to such offer. Any unissued Preference Shares (whether forming part of the original share capital or not) shall, before they are issued, be offered to the holders of Preference Shares in proportion, as nearly as may be, to the number of Preference Shares held by them immediately prior to such offer. Such offer shall be made by notice in writing specifying the number of shares offered and limiting the time (not being less than 21 days) within which the offer may be accepted. Acceptances shall be given to the Company by notice in writing and in such acceptance any shareholder may state if he wishes to purchase any shares in addition to the proportion offered to him. After the expiry of such offer or after the Company shall have received notice of the acceptance or refusal of such offer from every shareholder to whom such offer has been made (whichever shall be the earlier event) the directors shall allot the shares offered to the shareholders accepting the offer in accordance with such acceptances, provided that in the event of competition for any shares which may not have been accepted by any shareholder, the directors shall allot the same to the shareholders applying for additional shares as nearly as may be (but without increasing the number allotted to any shareholder beyond the number of additional shares he may have indicated that he is willing to purchase) in proportion to such shareholder's existing holding of ordinary shares or Preference Shares as the case may be.

- 15.2 Notwithstanding the provisions of Article 15.3 but provided that all of the shareholders of the Company provide their written consent in advance such unissued shares may be allotted and issued to any person (whether or not that person is a shareholder of the Company) at such price as all of the shareholders of the Company may agree in writing.
- 15.3 The provisions of Article 16 shall apply to any renunciation of the allotment of any share as they would apply to any transfer of that share.
- 15.4 Every shareholder shall have one vote per Ordinary Share held by him.

16. SHARE TRANSFERS

- 16.1 Except as hereinafter provided no share in the Company or any interest therein shall be transferred or otherwise disposed of unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- 16.2 If at any time a shareholder or any other person entitled to be registered in respect of a share or shares of the Company (the **Proposed Transferor**) shall desire to transfer or otherwise dispose of any share or shares registered in his name or any interest therein he shall give notice (a **Transfer Notice**) to the directors specifying the number of shares that he desires to sell or transfer. Except as hereinafter provided a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of all the shareholders. A Transfer Notice shall constitute the directors the agent of the Proposed Transferor to sell the shares specified in the Transfer Notice (the **Offered Shares**) at (i) the fair value fixed under Article 16.3 in respect of ordinary shares and (ii) in respect of Preference Shares, £1 per Preference Share together with the amount of any accrued or unpaid Preferential Dividend (the **Transfer Price**) and in accordance with the following provisions:
- (a) Upon the Transfer Price being finally determined as provided in Article 16.3 (in respect of ordinary shares), the directors shall forthwith by notice in writing notify the Proposed Transferor of the Transfer Price. Within seven days of such notification the Proposed Transferor shall be entitled to serve notice on the directors withdrawing the Transfer Notice. If no such notice of withdrawal shall be given, forthwith upon the expiry of such seven day period (in respect of ordinary shares) and forthwith upon receipt of a Transfer Notice in respect of Preference Shares, the Offered Shares shall be offered for purchase at the Transfer Price by the directors to the shareholders (other than the Proposed Transferor) in proportion to the number of shares of the same class as the Offered Shares then held by them respectively of that class. Every such offer shall be made in writing and shall specify (a) the total number of Offered Shares; (b) the number of Offered Shares offered to the shareholder; (c) a period (being not less than 7 days) within which the offer must be accepted or shall lapse (**the Acceptance Period**); and (d) the Transfer Price. If upon the expiry of the Acceptance Period and/or any subsequent period for acceptance following the repetition of an invitation as after mentioned in this Article 16.2(a), there are any Offered Shares which have not been accepted by a shareholder, the invitation shall be repeated on like terms mutatis mutandis by the directors to all shareholders until the earlier of all the shareholders indicating they do not wish to acquire any further shares or all of the shares the subject of a Transfer Notice having been accepted by a shareholder (whichever occurs first being the **Final Event**).

Holders of Preference Shares shall not be offered ordinary shares in terms

of Article 16.2(a).

- (b) The directors shall within seven days of the Final Event, notify the Proposed Transferor of the number of Offered Shares (if any) for which they have found a purchaser or purchasers pursuant to Article 16.2(a) and if the directors have found such a purchaser or purchasers in respect of some only of the Offered Shares the Proposed Transferor shall be entitled to withdraw the Transfer Notice (in whole but not in part) within five days of such notification.
- (c) During the six months following the expiry of the period of seven days referred to in Article 16.2(b) the Proposed Transferor (whether or not the Transfer Notice has been withdrawn under Article 16.2(b)) shall be at liberty to transfer to any person or persons at any price not being less than the Transfer Price any share the subject of the Transfer Notice (other than any share which has been accepted by a shareholder under Article 16.2(a) and the Transfer Notice has not been withdrawn under Article 16.2(b)) provided that (i) if the Proposed Transferor has withdrawn the Transfer Notice under Article 16.2(b) he shall not be entitled (save with the written consent of all the other shareholders) to sell hereunder only some of the Offered Shares; and (ii) in respect of Preference Shares, the directors grant prior written consent to such transfer.
- (d) If the said shareholders shall within the Acceptance Period and/or any subsequent period for acceptance following repetition of the invitation under Article 16.2(a) apply for all or (except where the Transfer Notice is withdrawn as aforesaid) any of the Offered Shares the directors shall allocate the Offered Shares (or so many of them as shall be applied for as aforesaid) to and amongst the applicants (and in case of competition, pro rata, as nearly as possible, according to the number of shares of the Company of which they are registered or unconditionally entitled to be registered as holders of the same class (in respect of the first offer round)) provided that no applicant shall be obliged to take more than the maximum number of Offered Shares specified by him as aforesaid.
- (e) The directors shall forthwith give notice in writing of allocations of Offered Shares pursuant to Article 16.2(d) (**an Allocation Notice**) to the Proposed Transferor and to the persons to whom Offered Shares have been allocated and (provided that the aggregate number of shares so allocated coincides with the number of shares notified to the Proposed Transferor pursuant to Article 16.2(b)) the Proposed Transferor shall thereupon be bound to transfer the shares allocated upon payment of the Transfer Price. An Allocation Notice shall state the names and addresses of the purchasers and the number of shares agreed to be purchased by them respectively and the purchases shall be completed at such place and such time as shall be specified by the directors in such notice being not less than three months nor more than four months after the date of such notice.
- (f) If in any case the Proposed Transferor on having become bound as aforesaid makes default in accepting payment of the Transfer Price of any Offered Share or as the case may be in transferring the same, the directors may receive such purchase money and may nominate one of their number to execute an instrument of transfer of such share in the name and as attorney of the Proposed Transferor and thereafter when such instrument has been duly stamped the directors shall cause the name of the purchaser to be entered in the register of shareholders as the holder of such share and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt of the directors for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name has been entered in the register of

shareholders in purported exercise of the aforesaid powers the validity of the proceedings shall not be capable of challenge by any person.

- 16.3 The Transfer Price of any ordinary shares to be transferred pursuant to the provisions of Article 16.2 shall be such sum as may be agreed between the Proposed Transferor and the directors within 30 days of the service upon the directors of a Transfer Notice in which such shares are comprised or in default of such agreement such sum as a chartered accountant appointed in the manner described below shall certify in writing to be in his opinion the fair value thereof on the basis of:
- (a) a sale as between a willing vendor and a willing purchaser of the entire issued ordinary share capital of the Company in the open market and disregarding the fact that the said shares constitute a minority holding (or any other particular proportion) of shares in the Company;
 - (b) that the transfer of shares is unrestricted by these Articles;
 - (c) the net assets of the Company taking into account the then current market value of any heritable properties (irrespective of their declared book value and whether held as investments or work in progress) owned by the Company; and
 - (d) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so (**the Fair Value**).

Such chartered accountant shall be appointed by agreement between the Proposed Transferor and the directors within 7 days following the expiry of the period of 7 days referred to above, or failing agreement, shall be appointed on the application of the Proposed Transferor or the directors by the president for the time being of the Institute of Chartered Accountants in Scotland. In so certifying, such chartered accountant shall be deemed to be acting as an expert and not as an arbiter and all statutory references to arbitration shall not apply. His certificate shall be final and binding. The directors shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company.

- 16.4 A shareholder holding 75% or more of the issued ordinary share capital of the Company may at any time transfer all (but not some only) of its shares in the Company without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in Article 16.
- 16.5 A Transfer Notice shall be deemed to have been served pursuant to Article 16.2 in respect of the shareholder's entire holding of shares immediately on the occurrence of any of the following events:
- (a) the death of such shareholder; or
 - (b) such shareholder becoming a person of unsound mind; or
 - (c) in respect of an individual shareholder, such shareholder becoming apparently insolvent, reaching an agreement with his creditors in respect of his debts or having a trustee in bankruptcy appointed to his estate or in the case of a corporate shareholder, a petition being presented for the winding up or liquidation of such shareholder or a receiver, administrator, liquidator or administrative receiver being appointed in respect of such shareholder's assets; or
 - (d) save in respect of the Preference Shares, a shareholder who is an employee and/or a director of the Company ceasing to be an employee and/or a

director;

and the procedure to be adopted in relation to the service of a Transfer Notice shall apply to a deemed notice given pursuant to this Article 16.5 (other than the right to withdraw the Transfer Notice pursuant to Articles 16.2(a) or (b)).

- 16.6 A shareholder may waive his right to receive a notice from the Company under Article 16.2 in respect of a proposed transfer and upon so doing shall cease to have any right of pre-emption in respect of the shares concerned under this Article 16 and if all the entitled shareholders waive their rights to such notice, the provisions of Article 16.1 shall not apply and the directors of the Company shall (subject to Article 20) be bound to register a transfer of the shares concerned.

16.7 Permitted Transfers of Preference Shares

- 16.7.1. A shareholder holding Preference Shares (the **Original Shareholder**) may transfer all or any of their or its Preference Shares to a Permitted Transferee.

- 16.7.2. Where Preference Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Preference Shares to:

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to Article 16.7.3, the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or
- (d) subject to Article 16.7.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

- 16.7.3. A transfer of Preference Shares may only be made to the trustee(s) of a Family Trust if the directors are satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s); and
- (b) with the identity of the proposed trustee(s).

- 16.7.4. If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within twenty Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Preference Shares held by it to:

- (a) the Original Shareholder; or
- (b) a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 16.7.4, a Transfer Notice shall be deemed to have been given in respect of such Preference Shares on the expiry of the period set out in this article 16.7.4.

- 16.7.5. If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the

transmittee(s) of any such person), shall within twenty Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Preference Shares held by the Privileged Relation to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with Article 16.2;

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 16.7.5.

17. COMPANY OPTION

If purchasing shareholders cannot be found for all of the shares registered in the name of the Proposed Transferor as is referred to at Article 16.2 (whether pursuant to a Transfer Notice given in terms of Article 16.2 or deemed to have been served in accordance with Article 16.5 or Article 16.7.5), the Company (subject to compliance with provisions of the Act) shall have the option to purchase such shares at the price determined in accordance with Article 16 at any time during the period of twenty eight days from the expiry of the date of the Final Event referred to at Article 16.2(a), after which time the option shall lapse, and in the event of such option being exercised as aforesaid the Proposed Transferor shall become obliged to accept payment for the price of the shares and shall be obliged to execute such contract and other documents as are necessary to complete the purchase of such shares, and if in any case the Proposed Transferor on having become bound as aforesaid makes default in either accepting payment for the shares or in executing a contract or other documents, the directors may receive the purchase money and may nominate one of their number to execute a contract or any other documents in the name and as attorney of the Proposed Transferor, and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor.

18. DRAG ALONG RIGHTS

- 18.1 In the event of a genuine offer from a bona fide, arm's length third party purchaser who was or were not a shareholder or shareholders of the Company on the date this Article was adopted being accepted to sell 70% or more of the issued ordinary share capital of the Company, the shareholders who have accepted the offer (the **Selling Shareholders**) shall have the option (**Drag Along Option**) to require all of the other shareholders to transfer all of their shares to the third party purchaser at the specified price. The other shareholder(s) hereby appoint the Directors as their attorney to execute and deliver on their behalf stock transfers in respect of their shares and to receive the sale proceeds in respect thereof on their behalf.
- 18.2 For the purpose of this Article, the **specified price** shall mean (i) in respect of the ordinary shares, a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the specified shares plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the selling shareholders 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 for the specified shares (including without limitation any increase in salary, any bonus or termination payment) and (ii) in respect of the Preference Shares, £1 per Preference Share together with the amount of any accrued or unpaid Preferential Dividend and in the event of disagreement the calculation of the specified price shall be referred to the Company's accountants (acting as an expert and not as arbiter).

19 TAG ALONG RIGHTS

- 19.1 No sale or transfer for valuable consideration of 51% or more of the issued ordinary share capital of the Company to a person or persons who was or were not a shareholder or shareholders of the Company on the date of adoption of the Articles shall be made or registered unless, before the transfer is lodged for registration the proposed transferor(s) have provided written notice (the **Notice**) to the other shareholders of the Company of the proposed sale. The Notice shall be given to the other shareholders at least fourteen days prior to the proposed date of sale and shall set out the identity of the proposed buyer, the proposed purchase price and other terms and conditions of payment, the proposed date of sale and number of Shares proposed to be sold.
- 19.2 Any other shareholder of the Company shall be entitled, by written notice given to the proposed transferors within seven days of receipt of the Notice, to be permitted to sell all of their Shares in the Company to the proposed transferee on the terms and conditions set out in the Notice.
- 19.3 If any shareholder of the Company is not given the rights accorded to him by the provisions of this Clause 19, the proposed transferors must not complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.
- 19.4 The Articles of the Company relating to the transfer of Shares shall be read subject to the provisions of Articles 13, 15, and 16.

20. REFUSAL OF TRANSFERS

- 20.1 The directors shall refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by the provisions of Articles 16, 17, 18 and 19 and, save as provided in Articles 20.2 and 20.3, the directors shall register any transfer so made or permitted.
- 20.2 The directors shall refuse to register a transfer unless:
 - (a) it has been presented to HM Revenue and Customs for stamping (unless it is exempt for stamp duty and the appropriate declarations have been made); and
 - (b) it is lodged with the secretary of the Company and is accompanied by the certificate (or an appropriate letter of indemnity) for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.
- 20.3 No share shall be transferred to any bankrupt or person of unsound mind.

21. PURCHASE OF OWN SHARES

- 21.1. Subject to the Act but without prejudice to any other provision of these Articles (including, without limitation, Article 13.3), the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
 - (a) £15,000; and
 - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year.

- 21.2. Subject to the remaining provisions of this Article 21, on a purchase of shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:
- (a) hold the shares (or any of them) in treasury;
 - (b) deal with any of the shares, at any time, in accordance with section 727 of the Act; or
 - (c) cancel any of the shares, at any time, in accordance with section 729 of the Act.
- 21.3. The provisions of Articles 15.1 to 15.3 (inclusive) shall apply to a sale or transfer of shares held in treasury pursuant to Article 21.2 save that, for the purposes of this Article 21.3, reference in Article 15 to an allotment shall include the sale or transfer of shares that immediately before the sale or transfer were, in each case, held by the Company as treasury shares.

22. NOTICE OF GENERAL MEETINGS

- 22.1 The provisions of all notices convening general meetings shall comply in all respects with statute and, without prejudice to the foregoing generality, section 325(1) of the Act.
- 22.2 Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the shareholders, to all persons entitled to a share in consequence of the death or bankruptcy of a shareholder and to the directors and auditors.

23. QUORUM FOR GENERAL MEETINGS

- 23.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be a holder of A Shares or a duly authorised representative of such holder and one shall be a holder of B Shares or a duly authorised representative of such holder.
- 23.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

24. CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. The chairman shall not have a casting vote.

25. VOTING

- 25.1 Subject to Article 25.2, questions arising at general meetings shall be decided by a simple majority of votes.
- 25.2 At a general meeting, on a show of hands every ordinary shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each ordinary share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each ordinary share of which he is the holder.
- 25.3 Any resolution proposed as a written resolution in relation to any of the matters listed in Article 25.2 shall be proposed in a form that provides shareholders with the ability to cast their votes against as well as in favour of such a resolution.

25.4 Article 14.3 applies in respect of the voting rights of the holders of Preference Shares.

26. PROXIES

26.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

26.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

27. MEANS OF COMMUNICATION TO BE USED

27.1 Subject to Article 27.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

27.2 Any notice, document or other information served on, or delivered to, an intended recipient under Articles 16, 17, 18 and 19 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

27.3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

28. INDEMNITY AND INSURANCE

28.1 Subject to Article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and

liabilities incurred by him as a relevant officer:

- (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 28.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

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

28.4 In this article:

- (a) a **relevant officer** means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- (b) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.