

ARTICLES OF ASSOCIATION
of
EDF FILTER SOLUTIONS LIMITED

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MORTON FRASER ●
LAWYERS



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THE COMPANIES ACTS
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

EDF FILTER SOLUTIONS Limited (the "Company")

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms

1 1 In these articles, unless the context requires otherwise -

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

"**business day**" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in Scotland are generally open for business

"**Investor Consent**" means consent in writing from Investors holding shares representing more than 70% of the entire issued share capital of the Company

"**Investors**" means each of Micron Eagle Hydraulics Limited, Collette Whiting and Europafilter Norge AS for as long as they shall each remain a shareholder and any other person who is from time to time recognised as an Investor by deed of adherence signed by the relevant person and the Company

"**Model Articles**" means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles

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 A reference in these articles to an "article" is a reference to the relevant numbered article of these articles unless expressly provided otherwise

2 Application of Model Articles

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles. In the event of any conflict between the terms of the Model Articles and these articles, the relevant provision of these articles shall prevail

2 2 Articles 6(2), 7(2), 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 15, 17, 23, 26(5), 36, 44(2), 52 and 53 of the model articles shall not apply to the Company

DIRECTORS

3 Decisions at meetings

All decisions made at any meeting of the directors of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes

4 Unanimous decisions

- 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, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing
- 4 3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- 4 4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

5 Calling a directors' meeting

- 5 1 Any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
- 5 2 Notice of any directors' meeting must be accompanied by
 - 5 2 1 an agenda specifying in reasonable detail the matters to be raised at the meeting, and
 - 5 2 2 copies of any papers to be discussed at the meeting
- 5 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 agreed in writing
- 5 4 Notice of a directors' meeting must be given to each director in writing or (subject to the Act and the articles) by electronic means

6 Quorum for directors' meetings

- 6 1 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but, where the Company has two or more directors it must never be less than two, and unless otherwise fixed it is two
- 6 2 Where the Company has only a sole director, the quorum is one
- 6 3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision -
 - 6 3 1 to appoint further directors, or
 - 6 3 2 to call a general meeting so as to enable the shareholders to appoint further directors

7 No casting vote

The chairman of directors' meetings shall not have a casting vote

8 Transactions or other arrangements with the Company

- 8 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director who is any way, whether directly or indirectly interested in an existing or proposed transaction or arrangement with the Company -
- 8 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company or in which the Company is otherwise interested,
 - 8 1 2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested,
 - 8 1 3 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
 - 8 1 4 shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
 - 8 1 5 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, and
 - 8 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- 8 2 For the purposes of article 8 1 -
- 8 2 1 references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
 - 8 2 2 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,
 - 8 2 3 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
- 8 3 Subject to article 8 4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

- 8 4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

9 Directors' conflicts of interest

- 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 breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**")

- 9 2 Any authorisation under this article will be effective only if -

9 2 1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,

9 2 2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question, and

9 2 3 the matter was agreed to without his voting or would have been agreed to if his 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) -

9 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,

9 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and

9 3 3 be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

- 9 4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to -

9 4 1 disclose such information to the directors or to any director or other officer or employee of the Company, or

9 4 2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence

- 9 5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director -

9 5 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,

9 5 2 is not given any documents or other information relating to the Conflict, and

9 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict

9 6 Where the directors authorise a Conflict -

9 6 1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and

9 6 2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation

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 or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

10 Minutes of proceedings to be kept

In accordance with section 248 of the Act, the directors must ensure that the Company keeps a record, in writing of all proceedings at meetings of the directors for a period of ten years from the date of the meeting

11 Number of directors

The number of directors shall not be less than 2 No shareholding qualification for directors shall be required

12 Methods of appointing directors

12 1 Each Investor holding shares representing more than 25% of the entire issued share capital of the Company shall for so long as he remains a shareholder in the Company be entitled to appoint one person (who may be himself) as a Director of the Company Each Investor shall be entitled at any time to remove any director so appointed and to appoint any other in their place Any appointment or removal from office under this article 12 1 shall be effected by a notice in writing to the Company signed by the relevant Investor

12 2 Subject to Investor Consent, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director

12 2 1 by ordinary resolution, or

12 2 2 by a decision of the directors

12 3 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a person to be a director

- 12 4 For the purposes of article 12 3, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

13 Termination of director's appointment

Article 18 of the Model Articles shall be amended by the insertion as a new sub-paragraph of the words "(g) that person was appointed as a director by an Investor and their appointor ceases to be an Investor "

COMPANY SECRETARY

14 Company not required to have secretary

In accordance with the Act, the Company shall not be required to have a secretary

15 Appointment and removal of secretary

The Company may resolve to appoint a secretary, or remove any secretary so appointed -

15 1 by ordinary resolution, or

15 2 by a decision of the directors

16 Resignation of secretary

A person ceases to be secretary as soon as notification in writing is received by the Company from the secretary that the secretary is resigning from office, and such resignation has taken effect in accordance with its terms

SHARES

17 Allotment

17 1 No shares shall be allotted without Investor Consent

17 2 Any shares proposed to be issued shall be first offered to the then existing shareholders in proportion as nearly as may be to the number of the existing shares held by them respectively. The offer shall be made by notice specifying the number of shares offered and the period (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. The offer shall further invite each holder of shares to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all such shareholders do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in the proportion to the number of shares already held by them respectively, provided that no shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered without fractions to the shareholders holding that class of shares in proportion to their existing holdings, the same shall be offered to such shareholders, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit. Any shares not taken up in accordance with the foregoing provisions shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit (acting reasonably), provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the proposed allottees thereof than the terms on which they were offered to the shareholders

- 17 3 In accordance with Section 567 of the Act, Sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 5610(1) of the Act) made by the Company

18 Trusts may be recognised

Except as required by law, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it. The Company shall however be entitled to register trustees as such in respect of any shares

19 Restrictions on transfer

The following provisions shall apply to all transfers of shares, except transfers permitted under articles 19 9, 21 and 22 -

- 19 1 Any shareholder proposing to transfer any shares must give prior written notice to the Company specifying the proposed transferee, the number of shares proposed to be transferred and in the case of a sale the proposed price per share, or in the case of any other transfer, the amount which in his opinion constitutes the value per share. The other shareholders shall have the right to purchase all (but not only some of) such shares either at the said proposed price or stated value per share or the market value per share fixed by the Valuer pursuant to article 19 3 below or by the unanimous agreement of the Board of Directors pursuant to article 19 3 below. For the purposes of these articles the shareholder proposing to transfer any shares is called the "Vendor", the prior written notice he must give is called a "Transfer Notice", the shares the Vendor proposes to transfer as specified in a Transfer Notice are called the "Offered Shares" and the other shareholder or shareholders purchasing the Offered Shares is/are called the "Purchasing Shareholder(s)". A Transfer Notice authorises the Company to sell all (but not only some of) the Offered Shares to the Purchasing Shareholder(s) as agent of the Vendor, either at the price or value per share specified in the Transfer Notice or at the market value per share fixed by the Valuer pursuant to article 19 3 below or by the unanimous agreement of the directors pursuant to article 19 3 below. Unless all the other shareholders agree, a Transfer Notice cannot be withdrawn.
- 19 2 The Offered Shares shall be offered by the Company to the shareholders (other than the Vendor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by the Company by notice in writing (hereinafter called an "Offer Notice") within 7 days after the receipt by the Company of the Transfer Notice. The Offer Notice shall state the proposed transferee and the price or value per share specified in the Transfer Notice and shall be open for written acceptance only for a period of 14 days after the date on which the Offer Notice is given by the Company to the shareholders or, if the procedure described in article 19 3 is followed, for a period of 14 days after the date on which notice of the market value certified in accordance with article 19 3 is given by the Company to the shareholders. For the purpose of this article 19 2 an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The Offer Notice shall further invite each shareholder to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the shareholders do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in the proportion to the number of shares already held by the claimants respectively, provided that no shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the shareholders in proportion to their existing holdings without fractions, the same shall be offered to the shareholders, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit (acting reasonably).

- 19 3 Any shareholder may, not later than 7 days after the date of the Offer Notice, serve on the Company notice in writing requesting that the market value of the Offered Shares be fixed by the unanimous agreement of the directors (and any market value of the Offered Shares unanimously agreed upon by the directors pursuant to this article 19 3 shall be final and binding, save in the case of manifest error or fraud), failing which by an independent Chartered Accountant (who may be the Auditor or Auditors of the Company) mutually chosen by the Vendor and the other shareholders or failing agreement as to such choice, nominated on the application of either party by the President for the time being of the Institute of Chartered Accountants of Scotland. Such Accountant (hereinafter called the "Valuer") shall be deemed to act as an expert and not as an arbiter and his determination of the market value shall be final and binding for all purposes hereof (save in the case of manifest error or fraud). The value of the Offered Shares shall be the market value of the Company as a going concern divided by the total number of Ordinary Shares then in issue and multiplied by the number of the Offered Shares. The Valuer's costs shall be borne equally between the Vendor and the shareholder in question. On receipt of the Valuer's certificate the Company shall by notice in writing inform all shareholders (including the Vendor) of the market value of the Offered Shares and of the price per share (being the lower of the price or value specified in the Transfer Notice and the market value of each share) at which the Offered Shares are offered for sale.
- 19 4 If Purchasing Shareholders shall be found for all (but not only some of) the Offered Shares within the relevant period specified in article 19 2 above, the Company shall not later than 7 days after the expiry of such period give notice in writing (hereinafter called a "Sale Notice") to the Vendor specifying the Purchasing Shareholders and the Vendor shall be bound upon payment of the price due in respect of all the Offered Shares to transfer the same to the Purchasing Shareholders.
- 19 5 If Purchasing Shareholder(s) shall not be found for all the Offered Shares among the shareholders of the Company within the relevant periods specified in article 19 2 above, then the Company shall be entitled to find a purchaser who is not an existing shareholder (being a purchaser approved by the directors) and shall give notice thereof to the Vendor and the terms and conditions of this article shall apply mutatis mutandis as if such purchaser were a Purchasing Shareholder.
- 19 6 If the Vendor shall fail to sign and deliver a valid transfer of any of the Offered Shares which he has become bound to sell pursuant to the foregoing provisions, the company secretary of the Company, or any director of the Company, other than the Vendor, shall be deemed to have been appointed agent of the Vendor with full power to complete, execute and deliver in the name and on behalf of the Vendor, transfers of the Offered Shares to be sold by the Vendor pursuant to these provisions, and to receive payment of the price on the Vendor's behalf, and to give a valid receipt and discharge therefor. The directors shall register any transfer of the Offered Shares carried out in pursuance of the foregoing powers in this article 19 6 notwithstanding that the Certificate or Certificates for the Offered Shares may not be produced with such transfer or transfers and after the Purchasing Shareholder(s) has/have been registered in exercise of the foregoing powers, the validity of the proceedings shall not be questioned by any person.
- 19 7 If no Sale Notice shall be given by the Company to the Vendor within the time limit specified in article 19 4 above, or if purchasers are not found by the Company for all the Offered Shares pursuant to article 19 5 above, the Vendor shall be entitled, for a period of 30 days after the expiry of such time limit, to transfer the Offered Shares to any person (legal or otherwise) or entity other than the shareholders but at not less than the lower of the price stated in the Transfer Notice and the market value (if this has been fixed by the Valuer or by the unanimous agreement of the directors) and the directors shall register such transfer(s).

- 19 8 Any purported transfer of shares by any shareholder not preceded by a Transfer Notice given in accordance with the foregoing provisions, shall be of no effect unless the other shareholders shall have validly waived their rights in writing, and no such purported transfer shall be registered by the directors
- 19 9 The provisions of articles 19 1-19 8 and articles 21-22 shall not apply to -
- 19 10 any transfer approved in writing by Investor Consent,
- 19 11 any transfer by a corporate shareholder to an associated company (that is to say any holding company or wholly-owned subsidiary of such corporate shareholder and any other wholly-owned subsidiary of any such holding company), provided always that if the transferee company subsequently ceases to be an associated company the transferee company shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all shares so transferred,
- 19 12 any transfer by a corporate shareholder to a company formed to acquire the whole or a substantial part of the undertaking and assets of such corporate shareholder as part of a scheme of amalgamation or reconstruction,
- 19 13 any transfer of shares by a shareholder to a privileged relation of that shareholder or by a shareholder to be held upon family trust (as hereinafter defined) For the purpose of this article 19 13 a "privileged relation" means the spouse and every child, stepchild or adopted child of the shareholder and "family trust" means, in relation to any shareholder, trusts, the beneficiaries or potential beneficiaries whereunder are exclusively the shareholder concerned and/or one or more privileged relations of such shareholder In the event that any such trust shall cease to be a family trust the transferee shall, immediately prior to such cessation transfer the shares back to the relevant shareholder, or
- 19 14 a transfer on the death of a shareholder,
- 19 15 provided that it must be proved to the reasonable satisfaction of the directors that the transfer bona fide falls within one of these exceptions

20 Deemed Transfer Notice

- 20 1 For the purpose of this article and other relevant provisions of these articles the following shall be deemed (without limitation) to be service of a Transfer Notice -
- 20 1 1 any direction (by way of renunciation, nomination or otherwise) by a shareholder entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself, or
- 20 1 2 (other than as permitted by or carried out pursuant to these articles) any sale or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise) by whomsoever made and whether or not effected by an instrument in writing, or
- 20 1 3 any diligence, execution or sequestration or other process being levied or enforced upon or sued out against the property of the relevant shareholder which is not discharged within 10 days, or
- 20 1 4 a shareholder's inability to pay its debts in the normal course of business, or
- 20 1 5 a shareholder becoming apparently insolvent, having a trustee in bankruptcy appointed, signing a trust deed for creditors or entering into any voluntary arrangement with creditors, or, if a company, having a

receiver appointed, ceasing to trade, having a liquidator appointed or passing a resolution for winding-up, otherwise than for the purpose of a reconstruction or amalgamation without insolvency

- 20 1 6 If any shareholder of the Company enters into a transaction of the kind referred to in this article or otherwise attempts to transfer any shares otherwise than in accordance with these Articles or if any of the circumstances set out in article 35 1 apply, or in the case of a corporate shareholder enters into liquidation (except a shareholders' voluntary liquidation for the purpose of solvent reconstruction or amalgamation) or ceases to trade or suffers an administrative receiver or receiver to be appointed over all or any of its business or assets or suffers an administration order to be made against it, such shareholder shall be deemed to have given a Transfer Notice in respect of all shares of each class held by such shareholder or by any nominee for him respectively immediately prior to that event
- 20 1 7 If any corporation becoming or having become a shareholder shall at any time cease to be controlled by the person (which expression shall include a body corporate or firm) or persons who at the time when the corporation became a shareholder had control, the shareholder shall be deemed immediately prior to that event to have served a Transfer Notice in respect of all the shares held by it, unless all the holders of Shares shall otherwise agree in writing For the purposes of this article 20 1 7, a person shall be deemed to have control of a corporation if by reason of the ownership of shares in that corporation or otherwise, the person concerned is able directly or indirectly to secure that the affairs of that corporation are conducted in accordance with the wishes of that person
- 20 1 8 In respect of any Transfer Notice deemed to have been given under the foregoing provisions of article 20 such notice shall be deemed to contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this article 20 none shall be sold and any such provision shall be binding on the Company Furthermore where a shareholder gives a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him then this article 20 shall apply

Subject to the foregoing provisions of this article 20 the directors shall register any transfer made pursuant to or permitted by the foregoing provisions of this article 20 or these articles, but shall refuse to register any other transfer

21 Drag Along

- 21 1 In these articles, a "Qualifying Offer" shall mean an offer in writing by or on behalf of any person (the "Offeror") to the holders of the entire equity share capital in the Company to acquire all their equity share capital
- 21 2 If the holders of shares giving the right to exercise not less than 70% of the total votes exercisable by all the then issued shares of the Company on a poll (the "Accepting Shareholders") wish to accept the Qualifying Offer, then the provisions of this article 21 shall apply
- 21 3 The Accepting Shareholders shall give written notice to the remaining holders of the equity share capital (the "Other Shareholders") of their wish to accept the Qualifying Offer, and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee), without any encumbrance, on the date specified by the Accepting Shareholders but shall not be required to give any representations, warranties, undertakings or indemnities,

other than warranties as to capacity and that they have unencumbered title to the shares

- 21 4 If any Other Shareholder shall not, within 5 Business Days of being required to do so, execute and deliver transfers to the Offeror in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute the necessary transfer(s) and indemnities on the relevant Other Shareholder's behalf and, against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof, and, after such registration, the validity of such proceedings shall not be questioned by any person
- 21 5 Upon any person, following the issue of a notice pursuant to article 21 3, becoming a shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company (a "New Shareholder"), a notice pursuant to article 21 3 shall be deemed to have been served upon the New Shareholder on the same terms as the previous notice under article 21 3, and the New Shareholder shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct, and the provisions of this article shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the notice being deemed served on the New Shareholder

22 Tag Along

- 22 1 If at any time one or more shareholders (the "Proposed Sellers") propose to sell, in one or a series of related transactions, shares representing not less than 70% of total number of shares in the Company in issue (a "Majority Holding") to any person (not being an Offeror for the purposes of article 21 1), other than pursuant to article 19 9, the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this article 22
- 22 2 The Proposed Sellers shall give written notice (the "Proposed Sale Notice") to the other holders of the equity share capital in the Company of such intended sale at least 10 Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the "Proposed Buyer"), the purchase price and other terms and conditions of payment, the proposed date of sale, and the number of shares proposed to be purchased by the Proposed Buyer
- 22 3 Any other holder of equity share capital in the Company shall be entitled, by written notice given to the Proposed Sellers within 5 Business Days of receipt of the Proposed Sale Notice, to be permitted to sell all of his shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice
- 22 4 If any other holder of equity share capital in the Company is not given the rights accorded him by the provisions of this article 22, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect

DECISION-MAKING BY SHAREHOLDERS

23 Poll votes

- 23 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

- 23 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

24 Proxies

- 24 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 the general meeting (or adjourned meeting) to which they relate"
- 24 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, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

ADMINISTRATIVE ARRANGEMENTS

25 Means of communication to be used

- 25 1 Subject to these articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which section 1144 and Schedules 4 and 5 of the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- 25 2 Subject to these articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

26 Deemed delivery of documents and information

- 26 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 26 1 1 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),
- 26 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 26 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 26 1 4 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
- 26 2 For the purposes of this article, no account shall be taken of any part of a day that is not a business day

- 26 3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

27 Company seals

Unless and until the directors resolve otherwise, the Company shall not have a common seal

DIRECTORS' INDEMNITY AND INSURANCE

28 Indemnity

- 28 1 Subject to paragraph 28 2, and without prejudice to any indemnity to which a relevant director is otherwise entitled, a relevant director of the Company or an associated company shall be entitled to be indemnified out of the Company's assets against -
- 28 1 1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
 - 28 1 2 any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
 - 28 1 3 any other liability incurred by that director as an officer of the Company or an associated company
- 28 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- 28 3 In this article and article 29 -
- 28 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - 28 3 2 a "**relevant director**" means any director or former director of the Company or an associated company

29 Insurance

- 29 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss
- 29 2 In this article a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

30 Borrowing Powers

- 30 1 The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and issue Debentures, Debenture Stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

30 2 Any Debentures, Bonds or other Instruments or Securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares or otherwise as the directors may from time to time determine

31 **Governing Law**

These articles shall be governed by and construed in accordance with Scots Law and the Company, its officers and members from time submit to the non-exclusive jurisdiction of the Scottish Courts