

Company Number: 11595860

The Companies Act 2006

Private Company Limited by Shares

Articles of Association

of

Aviation & Defence Spares Group Limited

(As adopted by members' written resolution passed on 16 October 2023)

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1 Preliminary

1.1 In these Articles, if not inconsistent with the context, the following expressions have the following meanings:

"Accepting Shareholder"	has the meaning given in Article 10.3.
"Act"	means the Companies Act 2006 including any statutory re-enactment or modification thereof from time to time in force.
"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 from time to time).
"Articles"	means these articles of association.
"Available Profits"	means profits available for distribution within the meaning of part 23 of the Act.
"Board"	means the board of directors of the Company from time to time.
"Business Day"	means a day when banks in London are open for general business (other than a Saturday, Sunday or public holiday in England).
"Called Shareholders"	has the meaning given in Article 11.3.
"Called Shares"	has the meaning given in Article 11.3.
"Clear Days"	means in relation to a period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"Company"	means Aviation & Defence Spares Group Limited (CRN: 11595860).
"Completion Date"	has the meaning given in Article 11.5.
"Conflict Authorisation"	has the meaning given in Article 22.1.

"Conflict Authorisation Terms"	has the meaning given in Article 22.7.
"Conflict Situation"	has the meaning given in Article 22.1.
"Defaulting Shareholder"	has the meaning given in Article 11.8.
"director"	means a director of the Company from time to time.
"Drag Along Notice"	has the meaning in Article 11.3.
"Drag Along Completion"	has the meaning given in Article 11.2.
"eligible director"	means a director who would be entitled to vote on the matter at a meeting of the Board (but excluding any director whose vote is not to be counted in respect of the particular matter).
"electronic communication"	has the meaning given to it in the Electronic Communications Act 2000.
"Encumbrance"	means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, title retention or any other security agreement or arrangement.
"Excess Shares"	has the meaning given in Article 4.2.2.
"Financial Year"	means an accounting reference period (as defined in section 391 of the Act) of the Company.
"Group"	means in relation to any body corporate, any Holding Company or Subsidiary Undertaking of such body corporate or any Subsidiary Undertaking of a Holding Company of such body corporate and "member of a Group" shall be interpreted accordingly.
"Holding Company"	means a holding company within the meaning ascribed to such expression by section 1159 of the Act.
"in writing"	means written, or produced by any visible substitute for writing, which is in or capable of being converted into non-transitory form or partly one and partly another.
"Interested Director"	has the meaning given in Article 22.1.
"Majority Shares"	has the meaning given in Article 11.1.
"member"	has the meaning given in section 112 of the Act.
"Model Articles"	means the model articles prescribed by Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.
"Nominal Value"	means in relation to any Share, the nominal amount of such Share.
"Non-selling Party"	has the meaning given in Article 10.1.

"Permitted Transfer"	means a transfer made in accordance with Article 7.
"Permitted Transferee"	means a person to whom Shares are transferred pursuant to Article 7 (other than Article 7.1.1 or Article 7.1.2).
"Proposed Buyer"	has the meaning given in Article 11.2.
"Proposing Seller"	has the meaning given in Article 10.1.
"Proposed Transfer"	has the meaning given in Article 10.1.
"PRs"	means the legal personal representatives of a deceased Shareholder.
"Sale Notice"	has the meaning given in Article 11.2.
"Selling Shareholder"	has the meaning given in Article 11.1.
"Shares"	means an Ordinary Share of £0.01 each in the capital of the Company and a "Share" shall mean any one of the Shares.
"Shareholder"	means any of the holders of Shares and the expression "Shareholders" shall mean all of them.
"Subscription Price"	means in relation to any Share, the amount paid up or credited as paid up on such Share including the full amount of any premium at which such Share was issued or transferred.
"Subsidiary Undertaking"	means a subsidiary undertaking within the meaning ascribed to such expression by section 1162 of the Act.
"Tag Along Buyer"	has the meaning given in Article 10.1.
"Tag Along Offer"	has the meaning given in Article 10.1.

1.2 In these Articles:

- 1.2.1 use of the singular includes the plural and vice versa;
- 1.2.2 use of any gender includes the other genders;
- 1.2.3 any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- 1.2.4 headings are included for convenience only and do not affect the interpretation of these Articles; and
- 1.2.5 a reference to the "transfer" of or "transferring" shares shall include any transfer, assignment, disposition or proposed or purported transfer, assignment or disposition:
 - (a) of any Share or Shares of the Company, or
 - (b) of any interest of any kind in any Share or Shares of the Company, or
 - (c) of any right to receive or subscribe for any Share or Shares of the Company.

- 1.3 Save as aforesaid unless the context otherwise requires:
- 1.3.1 any words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles became binding on the Company; and
- 1.3.2 words or expressions defined in the Model Articles shall bear the same meaning in these Articles and reference in these Articles to a "Model Article" is a reference to the relevant article of the Model Articles.
- 1.4 The Model Articles shall, except in so far as they are excluded or modified by these Articles, apply to the Company and together with these Articles shall constitute the articles of the Company.
- 1.5 Model Articles 6(2), 8(3), 11(2), 13, 14(1) to 14(4) (inclusive), 16, 26(5), 27 to 29 (inclusive), 52 and 53 of the Model Articles shall not apply to the Company.

2 Share Capital

- 2.1 The share capital of the Company at the date of the adoption of these Articles consist of the Shares.

Share Rights

- 2.2 The rights attaching to the Shares are as follows:

Voting

- 2.2.1 Each Share in the capital of the Company shall confer upon its holder the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

Dividends

- 2.2.2 In respect of any Financial Year, the Available Profits of the Company may be used to pay dividends as set out in this Article 2.2.
- 2.2.3 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 2.2.4 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.

Return of capital

- 2.2.5 On a return of capital, whether on a winding-up, capital reduction or otherwise (other than on a purchase or redemption of any of the equity Shares) the surplus assets and retained profits of the Company remaining after the payment of all its debts and liabilities shall be applied as follows:
- (a) first in paying the Shareholders any dividends on the Shares held by them which have been declared but are unpaid (if any); and
 - (b) finally, in distributing the balance of such assets amongst the Shareholders only in proportion to the numbers of such Shares held by them.

Purchase of own shares

2.3 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a Financial Year not exceeding the lower of:

2.3.1 £15,000; and

2.3.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year of the Company.

Consolidation of Shares

2.4 This Article applies where:

2.4.1 there has been a consolidation or division of Shares; and

2.4.2 as a result, members are entitled to fractions of Shares.

2.5 The Board may:

2.5.1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable;

2.5.2 authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and

2.5.3 distribute the net proceeds of sale in due proportion among the holders of the Shares.

2.6 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

2.7 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

3 Further Issues of Shares: Authority

3.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the Shareholders the Board shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

3.2 Subject to the remaining provisions of this Article 3, the Board are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

3.2.1 offer or allot;

3.2.2 grant rights to subscribe for or to convert any security into;

3.2.3 otherwise deal in, or dispose of,

any relevant securities, at any time and subject to any terms and conditions as the Board think proper.

3.3 The authority referred to in Article 3.2:

3.3.1 is subject to the provisions of Article 4;

- 3.3.2 shall be limited to such amount as may from time to time be authorised by the Company by ordinary resolution of the Shareholders;
- 3.3.3 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution of the Shareholders; and
- 3.3.4 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Board may make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such authority, and the Board may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired.

4 Pre-emption Rights on Further Issue of Shares

- 4.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Shares made by the Company.
- 4.2 Unless otherwise agreed by special resolution of the Shareholders and subject to Article 3, if the Company proposes to allot further Shares, those Shares shall not be allotted to any person unless the Company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those Shares are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Shareholders (as nearly as possible without involving fractions). The offer:
 - 4.2.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant Shares; and
 - 4.2.2 may stipulate that any Shareholders who wish to subscribe for a number of Shares in excess of the proportion to which he or she or she is entitled shall, in his or her acceptance, state the number of excess Shares (the "Excess Shares") for which he or she or she wishes to subscribe.
- 4.3 Any Shares not accepted by the Shareholders pursuant to the offer made to them in accordance with Article 4.2 shall be used for satisfying any requests for Excess Shares made pursuant to Article 4.2.2. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to the Shareholders in accordance with Article 4.2 (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholders beyond that applied for by him). After that allotment, any Shares remaining to be allotted shall be offered to any other person as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.
- 4.4 Subject to Articles 3, 4.2 and 4.3 and to section 551 of the Act, any Shares shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

5 Lien on Shares

Company's lien on Shares

- 5.1 The Company shall have a first and paramount lien (the "Company's Lien") on every Share registered in the name of any Shareholder (whether solely or jointly with others and whether or not it is a fully paid Share) for all monies (whether presently payable or not and whether by way of Nominal Value or Subscription Price) due to the Company from him or her or his or her estate, whether solely or jointly with any person (whether a Shareholder or not). The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's Lien on a Share shall extend to all dividends and other monies payable thereon.

Enforcement of the Company's Lien

- 5.2 Subject to the provisions of this Article 5, if:
- 5.2.1 a Lien Enforcement Notice has been given in respect of a Share; and
 - 5.2.2 the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Board decide.
- 5.3 Where Shares are sold under this Article 5:
- 5.3.1 the Board may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
 - 5.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 5.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 5.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
 - 5.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 5.5 A statutory declaration by a director that the declarant is a director and that a Share has been sold to satisfy the Company's Lien on a specified date:
- 5.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 5.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.
- 5.6 For the purposes of this Article 5, a "Lien Enforcement Notice" means a notice given by the Company in accordance with Article 23 which:
- 5.6.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - 5.6.2 must specify the Share concerned;
 - 5.6.3 must require payment of the sum within 14 Clear Days of the notice;
 - 5.6.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and
 - 5.6.5 must state the Company's intention to sell the Share if the notice is not complied with.

6 Transfer of Shares

Registration of transfers

- 6.1 The transferor of a Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect thereof.
- 6.2 The Board shall refuse to register any instrument of transfer of Shares which has not been entered into in accordance with the provisions of these Articles or which purports to be made to a minor, a bankrupt or a person of unsound mind.

7 Permitted and Restricted Transfers

- 7.1 The restrictions on transfer contained in Article 6 (Transfers of Shares) and Article 9 (Registration of Transfers) shall not apply to:
 - 7.1.1 without prejudice to Articles 10 (Tag Along Rights) and 11 (Drag Along Rights), any transfer of Shares made with the consent of the holders of 100% of the issued Shares, provided that this Article 7.1.1 shall not of itself enable Shares to be transferred more than once; or
 - 7.1.2 any transfer of Shares pursuant to an offer made in accordance with Article 10 (Tag Along Rights) or 11 (Drag Along Rights);

8 Information About Shareholdings and Transfers

- 8.1 For the purpose of ensuring that a transfer of Shares is duly authorised under these Articles, the Board may from time to time require:
 - 8.1.1 any Shareholder;
 - 8.1.2 the PRs; or
 - 8.1.3 any person named as transferee in any transfer lodged for registration;
- to provide the Company with such information and evidence as the Board may think fit including (but not limited to) the names, addresses and interests of all persons having interests in the Shares from time to time registered in the Shareholder's name.

9 Registration of Transfers

- 9.1 The Board may refuse to register a transfer of a Share on which the Company has a lien.
- 9.2 If the Board refuse to register a transfer of Shares they shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of, and the reasons for, refusal.

10 Tag Along Rights

- 10.1 If any Shareholder, on his or her own or acting in concert with one or more other Shareholders (the Proposing Seller), proposes to sell or transfer, in one or a series of related transactions, Shares that in aggregate constitute in number 85% or more of all the Shares in issue at the time of the proposed sale or transfer to any person other than another Shareholder or a Permitted Transferee ("Tag Along Buyer"), the Proposing Seller shall procure, before the sale or transfer ("Proposed Transfer"), that each Tag Along Buyer makes a bona fide written offer (a "Tag Along Offer") to each of the other Shareholders (each a "Non-selling Party") to buy the proportion of each Non-selling Party's Shares which is equal to the proportion represented by the number of Shares which the Proposing Seller is proposing to sell as against all the Shares held by the Proposing Seller at the time of the proposed sale or transfer for the

same price per Share and otherwise on the same terms and conditions as those applying to the proposed sale or transfer by the Proposing Seller of his or her Shares.

10.2 Each Tag Along Offer shall specify:

10.2.1 the identity of the Tag Along Buyer;

10.2.2 the proposed sale date;

10.2.3 the price for the relevant Shares and any other principal terms and conditions of the proposed sale or transfer;

10.2.4 the number of Shares proposed to be purchased by the Tag Along Buyer; and

10.2.5 the period (being not less than 15 Business Days from service of the Tag Along Offer) for acceptance by each Non-selling Party.

10.3 If, within the period specified in each Tag Along Offer, any Non-selling Party accepts the offer in writing ("Accepting Shareholder"), then the Proposing Seller shall procure that the sale by that Non-selling Party of his or her relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Proposing Seller's Shares, but shall be conditional on completion of the purchase of all the Shares pursuant to the Tag Along Offer held by the Accepting Shareholder.

10.4 Any acceptance by a Non selling Party of a Tag Along Offer shall be irrevocable, but no sale of that Non-selling Party's Shares pursuant to its acceptance shall take place unless and until the sale of the Proposing Seller's Shares is completed.

10.5 If the Tag Along Buyer fails to make the Tag Along Offer to all holders of Shares in the Company in accordance with Articles 10.1 and 10.2 the Proposing Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

10.6 Any sums payable pursuant this Article 10 to a Proposing Seller and a Non-selling Party shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question 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 and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding.

11 Drag Along Rights

11.1 The provisions of this Article 11 shall apply if any Shareholder (on his or her own or acting in concert with one or more other Shareholders (each a "Selling Shareholder")) proposes to sell or transfer Shares ("Majority Shares") that in aggregate constitute in number more than 85% of all the Shares in issue at the time of the proposed sale or transfer as part of a bona fide arm's length transaction to any person other than another Shareholder or a Permitted Transferee.

11.2 The Selling Shareholder may (but shall not, subject to Article 10, be obliged to) give to the Company not less than 15 Business Days' prior written notice of that proposed sale or transfer. That notice ("Sale Notice") will include details of the Majority Shares, the payment terms and the proposed price per Majority Share to be paid by the proposed buyer ("Proposed Buyer"), details of the Proposed Buyer and the place, date and time for completion of the proposed purchase being a date not less than 15 Business Days from service of the Sale Notice ("Drag

Along Completion"). Any Sale Notice received by the Company less than 15 Business Days before the proposed date of the Drag Along Completion shall be ineffective.

- 11.3 As soon as practicable upon receipt of a Sale Notice, the Company shall give notice in writing ("Drag Along Notice") to each of the Shareholders (other than the Selling Shareholder) ("Called Shareholders") giving the details contained in the Sale Notice and requiring each of them to sell and transfer to the Proposed Buyer at the Drag Along Completion all Shares held by them (and any of their Permitted Transferees) ("Called Shares"), provided that the Selling Shareholder may withdraw a Sale Notice at any time prior to the Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect.
- 11.4 Each Called Shareholder who is given a Drag Along Notice shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all the Shares referred to in his or her Drag Along Notice to the Proposed Buyer on the payment terms set out in the Drag Along Notice at the highest price per Majority Share proposed by the Proposed Buyer or, if higher, at which Shares have been purchased by the Proposed Buyer or any person acting in concert with the Proposed Buyer during the period of six months prior to the date of the Sale Notice and otherwise on terms no less favourable than those applicable to the sale of Shares by the Selling Shareholder.
- 11.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Majority's Shares ("Completion Date") unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.
- 11.6 Within 15 Business Days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver correctly executed stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares on the Completion Date pursuant to Article 11.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt of the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 11.2 in trust for the Called Shareholders without any obligation to pay interest.
- 11.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due in the Completion Date pursuant to Article 11.2, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 11 in respect of their Shares.
- 11.8 If any of the Shareholders or their Permitted Transferees shall fail to comply with the terms of Article 11.4 in any respect (each a "Defaulting Shareholder"):
- 11.8.1 the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his or her Shares (together with all rights then attached to those Shares) referred to in his or her Drag Along Notice in accordance with that notice;
 - 11.8.2 the Board may authorise a director to execute and deliver on behalf of each Defaulting Shareholder the necessary transfers;
 - 11.8.3 the Company may receive the purchase money in trust for each Defaulting Shareholder and cause the Proposed Buyer to be registered as the holder of such Shares;

- 11.8.4 the receipt by the Company of the purchase money pursuant to those transfers shall constitute a good and valid discharge to the Proposed Buyer (who shall not be bound to see to the application of those monies);
 - 11.8.5 after the Proposed Buyer has been registered in purported exercise of the powers in this Article 11 the validity of the proceedings shall not be questioned by any person; and
 - 11.8.6 the Company shall not pay the purchase monies to a Defaulting Shareholder until he or she or she shall, in respect of the Shares subject to the Drag Along Notice, have delivered a share certificate (or a suitable indemnity in lieu) and the necessary transfers to the Company.
- 11.9 Any sums payable pursuant to this Article 11 to the Called Shareholders and the Selling Shareholders shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question 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 and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding.
- 12 Notice of general meetings
- 12.1 All general meetings of the Company shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed, by a majority in number of the Shareholders having a right to attend and vote at the meeting.
- 12.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. If a Shareholder is not in the United Kingdom he or she or she shall still be entitled to receive notice of a general meeting if he or she or she has provided the Company with an address for service to be used whilst he or she or she is outside of the United Kingdom.
- 12.3 General meetings shall be held as and when required.
- 12.4 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, bankruptcy or insolvency of a member and to each of the directors and auditors (if any) of the Company.
- 13 Proceedings at General Meetings
- 13.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and whilst the business of the meeting is being transacted. A quorum shall consist of two Shareholders.
- 13.2 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting shall be adjourned for the same day in the next week at the same time and in the same place or as near to the same time and in the same place as is practicable. If, at the adjourned meeting, a quorum is not present (such meetings having been validly convened in accordance with the Articles), the Shareholders present at such adjourned meeting shall constitute a quorum.
- 13.3 A poll may be demanded at any general meeting by the chairman or by any Shareholder present in person or by proxy and entitled to vote.
- 13.4 The chairman shall not be entitled to a second or casting vote at any general meeting.

- 13.5 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 10 Business Days or more, at least seven Clear Days' notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall not be necessary to give any such notice.
- 13.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the meeting or by any Shareholder present in person or by proxy and entitled to vote. Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 13.7 If and for so long as the Company has only one member that member present in person or by proxy or, where that member is a corporation, its duly authorised representative shall be a quorum at any general or class meeting of the Company. Model Article 38 shall be modified accordingly.
- 14 Proxies
- 14.1 Model Article 45(1)(d) 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".
- 14.2 Model Article 45(1) 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 Board, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article.
- 15 Directors: Number and Appointment of Directors
- 15.1 Subject to any ordinary resolution of the Company, the number of directors (other than alternate directors) shall be subject to a minimum of one and shall not be subject to any maximum, provided that if at any time there are insufficient directors appointed to make up a quorum:
- 15.1.1 if there is only one director he or she or she may call a general meeting to appoint sufficient directors to make up a quorum; and
- 15.1.2 if there is more than one director:
- (a) a Board meeting may take place, if it is called in accordance with these Articles and at least two directors participate in it, with a view to calling a general meeting to appoint sufficient directors to make up a quorum; and
- (b) if a Board meeting is called but only one director attends at the appointed date and time to participate in it, that director may call a general meeting to appoint sufficient directors to make up a quorum.
- 15.2 No shareholding qualification for directors or alternate directors shall be required, but nevertheless they shall be entitled to attend and speak at any general meeting of the Company.

- 15.3 Model Article 17(1) shall be amended by the insertion, at the end of that article, of the words "provided that the appointment does not cause the number of directors in office for the time being (excluding alternate directors who are not also directors) to exceed any maximum number fixed or otherwise determined in accordance with these articles".
- 15.4 A person may be appointed a director notwithstanding that he or she or she shall have attained the age of 70 years and no director shall be liable to vacate office by reason of his or her attaining that or any other age.
- 15.5 In any case where, as a result of death, bankruptcy or insolvency, 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 or her (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 15.6 If the numbers of votes for and against a proposal at a Board meeting are equal, the chairman of the meeting shall not have a casting vote.
- 16 Alternate Directors
- 16.1 Each director (other than an alternate director) shall have the power at any time to appoint as an alternate director either another director or any other person approved for that purpose by a resolution of the Board (such approval not to be unreasonably withheld) and, at any time, to terminate such appointment. Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 16.2 An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his or her appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to directors. An alternate director shall during his or her appointment be an officer of the Company and shall not be deemed to be an agent of his or her appointor.
- 16.3 An alternate director shall (subject to his or her giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all Board meetings and of any committee of the directors of which his or her appointor is a member and to attend and to vote as a director at any such meeting at which his or her appointor is not personally present and generally in the absence of his or her appointor to perform and exercise all functions, rights, powers and duties of his or her appointor as a director and to receive notice of all general meetings.
- 16.4 The appointment of an alternate director shall automatically determine on the happening of any event which if he or she or she were a director would cause him or her to vacate such office or if his or her appointor shall cease for any reason to be a director.
- 16.5 A director or any other person may act as alternate director to represent more than one director and an alternate director shall be entitled at Board meetings or of any committee of the Board to one vote for every director whom he or she or she represents in addition to his or her own vote (if any) as a director, but he or she or she shall count as only one for the purpose of determining whether a quorum is present.
- Termination of director's appointment
- 16.6 Without prejudice to Model Article 18, any director may be removed from office (no matter how he or she or she was appointed) by notice in writing delivered to the registered office or tendered at a Board meeting and signed by any member or members holding Shares entitling such member or members to exercise more than 50% of the votes at any general meeting of the Company.

17 Remuneration of Directors

Each of the directors shall be entitled to fees for his or her services at such rate as may from time to time be determined by the Board or by a committee authorised by the Board. Each of the directors shall also be entitled to be repaid by the Company all such reasonable expenses (including travelling, hotel and incidental expenses) as they may incur in attending Board meetings or of committees of the Board or general meetings, or separate meetings of the holders of any class of shares or which they may otherwise properly incur in or about the business of the Company.

18 Directors' expenses

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

19 Powers of Directors

The Board may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities and superannuation or other benefits to or for the benefit of past or present directors or employees who are or were at any time employed by or in the service of the Company or held any place of profit with the Company or any of its Subsidiary Undertakings or any company associated with, or any business acquired by, any of them or to or for the benefit of persons who are or were related to or dependants of any such directors or employees and may make contributions to any fund and pay premiums for the purchase or payment of any such pension, annuity, allowance, gratuity, superannuation or other benefit or make payments for or towards the insurance of any such person.

20 Proceedings of the Directors

20.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. A Board meeting at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Board. Questions arising at any meeting shall be determined by a majority of votes. A director may, and the secretary (if any) on the requisition of a director shall, call a meeting of the Board. Notice of any meeting of the Board shall be in writing and shall be given to all directors, whether within or outside the UK, at the address specified by such directors for the service of such notice, not less than seven days before the proposed date of the meeting. A director may waive notice of any meeting either before or after the meeting.

20.2 The quorum necessary for the transaction of business of the Board shall be any two eligible directors, provided that:

20.2.1 if there is only one director in office, he or she or she may exercise all the powers and authorities vested in the directors by these Articles and accordingly the quorum for the transaction of business in these circumstances shall be one;

20.2.2 if a quorum is not present or ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed and those present shall constitute a quorum; and

20.2.3 for the purposes of any meeting (or part of a meeting) held pursuant to Article 22 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

20.3 Any or all of the directors may take part in a meeting of the Board by way of a conference telephone, skype or similar equipment that allows all persons participating in the meeting to hear and speak to each other. Each director taking part in this way shall be counted as being

present at the meeting. Meetings shall be treated as taking place where most of the participants are or, if there is no such place, where the chairman of the meeting is.

- 20.4 All acts done by any meeting of the Board, or of a committee or sub-committee of the Board, or by any person acting as a director or by an alternate director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any director, alternate director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

21 Transactions or other arrangements with the Company

- 21.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she or she has declared the nature and extent of his or her 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:

21.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

21.1.2 shall be an eligible director for the purposes of any proposed decision of the Board (or committee of the Board) in respect of such contract or proposed contract in which he or she or she is interested;

21.1.3 shall be entitled to vote at a meeting of the Board (or of a committee of the Board) or participate in any unanimous decision, in respect of such contract or proposed contract in which he or she is interested;

21.1.4 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

21.1.5 shall not, save as he or she may otherwise agree, be accountable to the Company for any benefit which he or she (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 or her duty under section 176 of the Act.

22 Directors' Interests

- 22.1 For the purposes of section 175 of the Act, the Board shall have the power to authorise, on such terms and subject to such conditions as they may determine (a "Conflict Authorisation") any matter proposed to them in accordance with these Articles which otherwise might give rise to a situation (a "Conflict Situation") in which a director (an "Interested Director") would have a direct or indirect interest which conflicts, or may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised.

22.2 Where the Board give a Conflict Authorisation:

22.2.1 it shall be recorded in writing (but the authorisation shall be effective whether or not it is recorded); and

- 22.2.2 the Board may revoke or vary the authority at any time but this will not affect anything done by the Interested Director in accordance with the authorisation before the revocation or variation.
- 22.3 A Conflict Authorisation will be only effective if:
- 22.3.1 at the meeting of the Board at which the Conflict Situation is considered, any requirement as to quorum is met without counting the Interested Director; and
- 22.3.2 it is agreed to without any Interested Director voting, or would have been agreed to if the votes of any Interested Director had not been counted.
- 22.4 Subject to Article 22.3 and the provisions of the Act, any matter proposed to the Board and any authorisation by the Board in relation to a Conflict Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Board.
- 22.5 For the purposes of Article 22.1, a conflict of interest includes a conflict of interest and duty and/or a conflict of duties.
- 22.6 An Interested Director shall be obliged:
- 22.6.1 to disclose to the other directors, as soon as reasonably practicable, the nature and extent of his or her interest in any Conflict Situation; and
- 22.6.2 to act in accordance with any conditions determined by the Board under Article 22.1.
- 22.7 Any conditions to which a Conflict Authorisation is made subject ("Conflict Authorisation Terms") may include (without limitation to Article 22.1) provision that:
- 22.7.1 where the Interested Director obtains (other than in his or her capacity as a director or as its employee or agent or, if the Board so decide, in any other capacity that would otherwise oblige him or her to disclose it to the Company) information that is confidential to a third party, he or she will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his or her duties as a director in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party;
- 22.7.2 the Interested Director may (but shall be under no obligation to) absent himself from the discussion of, or the making of decisions relating to, the relevant matter (whether at any meeting of the Board or otherwise) and be excused from reviewing documents and information prepared by or for the Board to the extent that they relate to that matter; and
- 22.7.3 the Interested Director be excluded from the receipt of documents and information, the participation in discussion or the making of decisions (whether at Board meetings or otherwise) related to the relevant matter,
- and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 22.1) will not constitute a breach by him or her of his or her duties under sections 172 to 174 of the Act.
- 23 Notices
- 23.1 A notice may be given:
- 23.1.1 by the Company to any Shareholder or director either personally or by sending it by first class post (airmail if abroad) or means of electronic communications to him or her or to his or her registered address or to the address supplied by him or her to the Company for the giving of notice to him or her; or

- 23.1.2 to the Company for the purpose of these Articles by like method at its registered office for the time being.
- 23.2 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. A notice contained in an electronic communication shall be deemed to be effected at the time the electronic communication was sent.
- 23.3 Every director and every alternate director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any director or alternate director shall not invalidate the proceedings at the meeting convened by such notice.
- 24 Indemnity and Insurance
- 24.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person, whether an officer or not, engaged by the Company as auditor) will be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, including any liability incurred by him or her in defending any proceedings in relation thereto but this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.
- 24.2 Without prejudice to the provisions of Article 24.1 the Board shall have power to purchase and maintain for or for the benefit of any such persons as are indemnified or entitled to indemnification under that Article insurance against any losses or liabilities to which that Article applies.