

SC 010170

**THE COMPANIES ACTS, 1948 TO 1967  
COMPANY LIMITED BY SHARES MEMORANDUM OF ASSOCIATION  
(As amended by Special Resolutions dated 28th December 1950 and 28th February 1974)**

**and**

**ARTICLES OF ASSOCIATION  
(Adopted by Special Resolution on 18 JULY 2021)**

**of**

**LITHGOWS LIMITED**





**THE COMPANIES ACTS 1948 to 1967**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM of ASSOCIATION**  
**(As amended by Special Resolution dated 28 December 1950 and 28**  
**February 1974)**  
**Of**

**LITHGOWS LIMITED**

1. The name of the Company is LITHGOWS LIMITED.
2. The Registered Office of the Company will be situated in Scotland.
3. The objects for which the Company is established are:-
  - 3.1 To acquire as at 30 November 1917, and take over as a going concern the business hitherto carried on in Port Glasgow under the style or firm of RUSSELL & COMPANY, as Shipbuilders and Ship Repairers, and to acquire and undertake all or any of the assets and liabilities of the said firm.
  - 3.2 To carry on either in combination or separately the businesses of Shipbuilders, Ship Repairers, Engineers, Boilermakers, Ironfounders, Brassfounders, Coppersmiths, Tinsmiths, Salvage Contractors, Metal Forgers, Sawmillers, Owners and Lessees of Harbours, Docks and Piers, Warehousemen, Storekeepers, Shipowners, Iron and Coal Masters and Manufacturers, Merchants and Dealers of and in armour plates, ordnance of all kinds, and other instructions and appliances in connection with shipbuilding and engineering, and every description of goods, produce, outfit, stores, wares and merchandise.
  - 3.3 To build, equip and repair ships and vessels of all kinds, including warships, and to manufacture, acquire, and repair engines, boilers, machinery, and any other appliances and things used in or about, or for the purposes of, shipbuilding or marine engineering.
  - 3.4 To own, manage, charter and hire Steam or other Ships and Vessels, floating docks, pontoons and other craft of every description.
  - 3.5 To invest the Capital and other monies of the Company in the purchase or upon the security of shares, stocks, debentures, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any Company, corporation or undertaking of whatever nature and wheresoever constituted or carrying on business and shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and other securities issued or guaranteed by any Government municipal local or other authority or body of whatever nature whether at home or abroad; to acquire mortgages, obligations and other securities by original subscription, syndicate participation, tender purchase exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof.
  - 3.6 To carry on any other trade or business whether manufacturing or otherwise, which may seem to the Company capable of being advantageously or conveniently carried on by way of extension of, or in connection with any of the before mentioned objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's assets.
  - 3.7 To purchase, lease, hire, or otherwise acquire, lay out and develop real or leasehold property or any easements, rights, privileges or concessions or any interest therein necessary or convenient for the Company's business or for developing the same.
  - 3.8 To purchase, lease, hire, or otherwise acquire, and to erect, construct, maintain and improve any buildings (including dwellinghouses, hostels, hotels, public houses, shops, canteens, club houses or rooms and halls for the accommodation and use of the



employees of the Company or others), works, yards, harbours, docks, graving docks, wharves, slips, canals, railways, tramways, machinery, plant and other appliances necessary or convenient for the business of the Company, or to join with any firm or Company in doing any of the things aforesaid and to work, manage, or control the same, or to join with others in so doing and generally, from time to time, to provide all requisite accommodation and facilities for the purpose of the Company.

- 3.9 To insure, if the Company sees fit, the whole or any part of the property of the Company, either fully or partially, and that either on the mutual principle or by forming a General Reserve or Insurance Fund, or by insurance effected with the Company itself as insurer, or with other companies or persons, and to effect re-insurances and counter-insurances.
- 3.10 To apply for, purchase, or by other means acquire, and protect, prolong, renew, hold, exercise, and use, whether in the United Kingdom or elsewhere, any patents, patent rights, brevets d'invention, licences, protections, and concessions, which may appear likely to be advantageous or useful to the Company, and to use and turn to account, and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions, or rights which the Company may acquire or propose to acquire.
- 3.11 To enter into any partnership or arrangement for sharing of profits, union of interests, reciprocal concessions, joint adventure or co-operation with any person, company or corporation, carrying on or about to carry on, or assisting as contractors, employees or otherwise in carrying on any business which this Company is authorised to carry on, or any business or transaction capable of being conducted so as, directly or indirectly, to benefit this Company, and to subsidise or otherwise assist any such person, company or corporation.
- 3.12 To pay for any purchase in cash, or by Bills of the Company, or by ordinary, preference, guaranteed, deferred, or other Shares in the Company, in any case fully paid up, or partly paid up, or by the debentures, mortgage debentures, or other securities or acknowledgements of the Company, or partly by cash, Bills, ordinary, preference, guaranteed, or deferred Shares or debentures, mortgage debentures or other securities or acknowledgements of the Company, or one or more of them, or in any other manner as may be agreed upon.
- 3.13 To sell, improve, manage, cultivate, develop, exchange, hire, lease, mortgage, dispose of, turn to account, or otherwise deal with the undertaking, or all or any part of the property and rights of the Company for such consideration as the Company may think fit and in particular for Shares (full or partly paid up), debentures, stock or securities of any other Company
- 3.14 To invest and deal with the monies of the Company not immediately required upon such securities in such manner as may from time to time be determined.
- 3.15 To lend and advance money or give credit to such persons and on such terms as may be expedient, and in particular to customers and others having dealings with the Company, and to give guarantees or become security for any such persons.
- 3.16 To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the heritable and moveable real and personal property (present and future) and the uncalled capital of the Company or by the creation and issue of debentures debenture stock or other obligations or securities of any description and whether with or without the Company receiving any consideration to guarantee support and give security (either by way of mortgage or charge on all or any part of the property and undertaking present and future and the uncalled capital of the Company or otherwise) for the performance of the



obligations and the payment of the principal of and dividends interest and premiums on any stocks shares debentures debenture stock or other securities of any Company which is for the time being the holding company or a subsidiary company of the Company or is associated in business with the Company.

- 3.17 To draw, make, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- 3.18 To apply for, promote, and obtain any Act of Parliament, Provisional Order, or licence of the Board of Trade or other Authority, for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's Constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- 3.19 To enter into any arrangements with any governments or authorities (supreme, municipal, local, or otherwise) and or any corporations, companies, or persons that may seem conducive to the Company's objects, or any of them and to obtain from such government, authority, corporation, company, or person, any charters, contracts, decrees, rights privileges and concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- 3.20 To subscribe for, take, purchase, or otherwise acquire and hold shares or other interest in or securities of any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- 3.21 To remunerate any person, firm, or company rendering services to this Company, whether by cash payment or by the allotment to him or them of shares or securities of the Company, credited as paid up in full or in part, or otherwise.
- 3.22 To pay all or any expenses incurred in connection with the formation, promotion and incorporation of the company, or to contract, with any person, firm, or company to pay the same; and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares, debentures, debenture stock or securities of the Company.
- 3.23 To grant persons or gratuities to any persons (including Directors and other Officers) who may be or have been in the employment or service in any capacity of the Company or any subsidiary company of the Company or of the predecessors in business of the Company or of any such subsidiary company or the wives, widows, families or dependents of any such persons; and to establish or support associations, institutions, clubs, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the Company or of its members; and to establish and contribute to any scheme for the purchase by trustees of shares of the Company to be held for the benefit of the Company by trustees of shares of the Company to be held for the benefit of the Company's employees or to lend money to the Company's employees to enable them to purchase shares of the Company; and to subscribe or guarantee money for any national, educational, scientific, literary, religious, charitable or benevolent object, or for any exhibition, or for any public, general or useful object and to support public or private benefactions.
- 3.24 To procure the Company to be registered or recognised in any colony or dependency and in any foreign country or place.
- 3.25 To promote any other company for the purpose of acquiring all or any of the property, and undertaking any of the liabilities of this Company or of undertaking any business or operations which may appear likely to assist or benefit this Company or to enhance the value of any property or business of this Company and to place or guarantee the placing of,



underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such Company as aforesaid.

- 3.26 To distribute among the members of the Company, in kind, any property of the Company, and in particular any shares, debentures, or securities of other companies belonging to this Company or of which this Company has the power of disposing.
- 3.27 To do all or any of the above things in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and either along or in conjunction with others or by or through agents, sub-contractors, trustees, or otherwise.
- 3.28 To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "Company" in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and the intention is that the objects specified in each of the first four paragraphs of this clause shall, except where otherwise expressed in such paragraph, be in nowise restricted by reference to or inference from the terms of any other paragraph.

- 4. The liability of the members is limited.
- 5. The share capital of the Company is £2,000,000 divided into 20,000 Shares of £100 each. The Company has power to increase or reduce its capital, and to issue the original increased or reduced capital with, or subject to, such rights and privileges, deferred, guaranteed, or preferential, as may be specified in the Articles of Association of the Company for the time being.

By Special Resolution passed on 7 January 1992 the above capital of the Company was divided into 10,000 Ordinary shares of £100 each and 1,000,000 Non-voting, Non-convertible, Non-cumulative, Redeemable 7.5% Preference shares of £1 with rights attaching thereto as specified in the Articles of Association of the Company.

By Special Resolution passed on 8 August 1995 the above capital of the Company was divided into 9,346 Ordinary shares of £100, 1,000,000 Non-voting, Non-convertible, Non-cumulative Redeemable 7.5% Preference shares of £1 and 654 Preferred Ordinary shares of £100 each with rights attaching thereto as specified in the Articles of Association of the Company.



## **ARTICLES of ASSOCIATION**

**of**

### **LITHGOWS LIMITED**

**(Adopted by Special Resolutions passed on  
18 JULY 2021)**

#### **PRELIMINARY**

1. The Regulations of the Company shall be those contained in Table A specified in Statutory Instrument 1985 No. 805 as amended by Statutory Instrument 1985 No.1052 save insofar as they are excluded or modified hereby or inconsistent herewith and said Table A is hereinafter referred to as "Table A".
2. Regulations 8, 24, 30, 31, 40, 59 and 64, 73, 74, 75, 76, 77, 106, 111 - 116 of Table A shall not apply to the Company.

#### **SHARES**

3. The share capital of the Company is £704,400 divided into 7,044 Ordinary shares of £100 each.
- 4.1 Any Shares proposed to be issued shall first be offered to the Members in proportion as nearly as may be to the number of the existing Shares held by them respectively unless the Company shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of Shares offered and the period (being not less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. The offer shall further invite each Member 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 Members 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 Member shall be obliged to the Members holding that class of Shares in proportion to their existing holdings, the same shall be offered to such members, 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 and any Shares released from the provisions of this Article by such Special Resolution as aforesaid 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, 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 Members.
- 4.2 Subject to this Article, the Directors are unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot Shares up to the amount of the total unissued Share Capital of the Company (original and increased) for the time being at any time or times during the period of five years from the date of adoption of these Articles or during any further period of renewal of the authority conferred by this Article, whichever is the later.
- 4.3 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply to an allotment of equity securities (as defined



in section 560(1) of the Companies Act 2006) made by the Company.

- 5 The Company shall be a private company limited by Shares in the sense of Section 1 of the Act. No invitation shall be made to the public to subscribe for any Shares or debentures of the Company and the Company and its Directors, officials, agents and all others acting on its behalf are hereby prohibited from making any such invitation to the public.
- 6 Regulation 5 of Table A shall be amended by adding the words "provided that the Company shall be bound to recognise the trust capacity of persons in respect of whom Shares are entered in the Register of Members of the Company in the names of persons as trustees under a trust to which the Trusts (Scotland) Act 1921 applies and any Deed of Assumption and Conveyance or Minute of Resignation by any such persons shall be recognised by the Company as effecting the purposes therein contained".

#### **LIEN**

- 7 The Company shall have a first and paramount lien on every Share for (i) all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share and (ii) for all moneys presently payable by the registered holder thereof or his estate to the Company; but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a Share shall extend to all rights attaching thereto and all dividends and sums payable thereon.

#### **TRANSFER AND TRANSMISSION OF SHARES**

- 8 Subject to paragraphs 9A.7, 11A.4 and 11A.8, the Directors may, in their absolute and uncontrolled discretion and without assigning any reason therefor, refuse to register any transfer of any Share, whether or not it is a fully paid Share.

All transfers of Shares must:

- 8.1 be lodged at the Registered Office or such other place as the Directors may appoint and be accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and
- 8.2 be in respect of one class of Shares only.

Any direction (by way of renunciation, nomination or otherwise) by a Member entitled to an allotment of Shares to the effect that such Shares or any of them be allotted or issued to or registered in the name of some person other than himself shall for the purpose of these Articles be deemed to be a transfer of Shares.

- 9 Subject to article 9A, 10 and 11A below, the following provisions shall apply to all transfers of Shares.
- 9.1 Any Member 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 holders of the remaining Shares of the same class 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 an independent expert as specified in paragraph (c) below. For the purposes of these Articles, the Member 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 Members purchasing such Shares is/are called "the purchasing Member(s)".



A Transfer Notice authorises the Company to sell all (but not only some) the Offered Shares to the purchasing Member(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 independent expert as specified in paragraph 9.3 below. Unless all the other Members agree, a Transfer Notice cannot be withdrawn.

- 9.2 The Offered Shares shall first be offered to the Members (other than the Vendor) holding Shares of the same class as nearly as may be in proportion to the number of Shares held by them respectively. Such offer shall be made by notice in writing (hereinafter called an "Offer Notice") within seven 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 fourteen days from its date, provided that if a certificate of valuation is requested under paragraph 9.3 below the offer shall remain open for such written acceptance for a period of fourteen days after the date on which notice of the market value certified in accordance with that paragraph is given by the Company to the Members. For the purpose of this Article, 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 Member holding Shares of the same class 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 Members 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 Member shall be obliged to take more Shares than he shall have applied for.

If any Shares shall not be capable without fractions of being offered to the Members in proportion to their existing holdings, the same shall be offered to the Members, 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.

- 9.3 Any Member may, not later than seven 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 an independent Chartered Accountant (who may be the Auditor or Auditors of the Company) mutually chosen by the Vendor and the Member 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. The Valuer shall certify his opinion of the market value of the Offered Shares in writing signed by him. The Valuer's costs shall be borne equally between the Vendor and the Member in question. On receipt of the Valuer's certificate the Company shall by notice in writing inform all Members holding Shares of the relevant class (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. For this purpose, the market value of each of the Offered Shares shall be the market value of the Offered Shares certified as aforesaid divided by the number of the Offered Shares.

- 9.4 If purchasing Members shall be found for all (but not only some of) the Offered Shares within the relevant period specified in paragraph 9.2 above, the Company shall not later than seven days after the expiry of such period give notice in writing (hereinafter called a "Sale Notice") to the Vendor specifying the purchasing Members and the Vendor shall be bound upon payments of the price due in respect of all the Offered Shares to transfer the same to the purchasing Members.

- 9.5 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 Secretary of the Company or if the Secretary shall be the Vendor, 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 Shares to be sold by him pursuant to these provisions, and to receive payment of the price on his behalf, and to give a valid receipt and discharge therefor.

Subject always to Article 8, the Directors shall register any transfer granted in pursuance of these powers notwithstanding that the Certificate or Certificates for the Offered Shares may not be produced with such transfer or transfers and after the purchasing Member(s) has/have been registered in exercise of these powers, the validity of the proceedings shall not be questioned by any person.

9.6 If no Sale Notice shall be given by the Company or the Vendor within the time limit specified in paragraph 9.2 above, or if the purchasers are not found for all the Offered Shares, the Vendor shall be entitled, for a period of 30 days after the expiry of such time limit, to transfer the Offered Shares to the proposed transferee specified in the Transfer Notice but in the case of a sale, 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.

9.7 Any purported transfer of Shares by any Member not preceded by a Transfer Notice given in accordance with the foregoing provisions, shall be of no effect unless the other Members shall have validly waived their rights in writing, and no such purported transfer shall be registered by the Directors.

9A. Permitted Transfers

For the purposes of this article 9A, the following words have the following meanings:

"Bankruptcy Event"	means an order being made for the bankruptcy or sequestration of a Member, or an arrangement or composition being made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;
"Civil Partner"	means in relation to an Original Member, a civil partner as defined in the Civil Partnership Act 2004.
"Family Trust"	means in relation to an Original Member, a trust set up wholly for the benefit of that Original Member and/or that Original Member's Privileged Relations;
"Original Member"	means each Member, excluding any Member who, for the time being, only holds Shares as a result of a Permitted Transfer;
"Permitted Transferee"	means in relation to an Original Member, any of his Privileged Relations or the trustees of his Family Trust(s);
"Permitted Transfer"	means a transfer of Shares in accordance with this article 9A; and
"Privileged Relation"	means the spouse or Civil Partner of an Original Member and the Original Member's children and grandchildren (including step and adopted children and grandchildren).

9A.1 Subject to paragraph 9A.2 and paragraph 9A.3, an Original Member may transfer Shares to any of his Permitted Transferees without restriction as to price or otherwise.

9A.2 A Member holding Shares as a result of:

- a. a transfer by an Original Member under paragraph 9A.1; or



- b. a transfer by a Permitted Transferee of an Original Member in accordance with paragraph 9A.4 to paragraph 9A.6 (inclusive),

may, subject to paragraph 9A.3, transfer any or all such Shares back to that Original Member (or to one or more other Permitted Transferees of that Original Member) without restriction as to price or otherwise.

9A.3 A Member may only transfer Shares to the trustees of a Family Trust if the Board is satisfied:

- a. with the terms of the Family Trust and, in particular, with the powers of the trustees;
- b. with the identity of the trustees; and
- c. that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

9A.4 If a Permitted Transfer has been made to a Privileged Relation of an Original Member, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him pursuant to a Permitted Transfer in favour of that Original Member (or, subject to paragraph 9A.3, in favour of one or more other Permitted Transferees of that Original Member), without any price or other restriction. In the event that such transfer is not effected within the prescribed time, the Directors: (i) may appoint any Director, as agent on behalf of the Privileged Relation, to execute instruments of transfer in favour of the Original Member (or the relevant other Permitted Transferee(s) of that Original Member); and (ii) shall procure that the name of the Original Member (or the relevant other Permitted Transferee(s) of that Original Member) be entered into the register of members of the Company.

9A.5 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Member, on the occurrence of:

- a. the Privileged Relation's death;
- b. the Privileged Relation suffering a Bankruptcy Event; or
- c. the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding,

that Privileged Relation, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall, within 10 Business Days after the grant of confirmation or probate, the making of the bankruptcy or sequestration order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Member (or, if so directed by the Original Member and subject to paragraph 9A.3, in favour of one or more other Permitted Transferees of that Original Member), without any price or other restriction. In the event that such transfer is not effected within the prescribed time, the Directors: (i) may appoint any Director, as agent on behalf of the Privileged Relation, to execute instruments of transfer in favour of the Original Member (or the relevant other Permitted Transferee(s) of that Original Member); and (ii) shall procure that the name of the Original Member (or the relevant other Permitted Transferee(s) of that Original Member) be entered into the register of members of the Company. This article 9A.5 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Member, to the extent that such transmittee is legally or beneficially entitled to those Shares.

9A.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 10 Business Days of that Family Trust ceasing to be wholly for the benefit of the Original Member and/or the Original Member's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Original Member (or, if so directed by the Original Member and subject to paragraph 9A.3, in favour of one of more other Permitted Transferees of the Original Member), without any price or other restriction. In the event that such transfer is not effected within the prescribed time, the Directors: (i) may appoint any Director, as agent on behalf of the trustees of the Family Trust, to execute instruments of transfer in favour of the Original Member (or the relevant other Permitted Transferee(s) of



that Original Member); and (ii) shall procure that the name of the Original Member (or the relevant other Permitted Transferee(s) of that Original Member) be entered into the register of members of the Company.

9A.7 The Directors shall be obliged to register any Permitted Transfer upon satisfying themselves (acting reasonably) that the transfer concerned properly falls within the provisions of this article 9A.

10 subject to Article 11A, if:

10.1 any Member who is also a Director shall cease to be a Director for any reason whatever, or

10.2 any Member employed by the Company shall cease to be so employed for any reason whatever, or

10.3 any Member shall die or have a curator appointed by any competent court or become apparently insolvent or his estate shall be sequestrated or if he shall be declared bankrupt or shall have any receiving order made against him or shall make any arrangement or composition with his creditors generally or become of unsound mind or being a Company shall go into liquidation (other than a liquidation for the purposes of reconstruction or amalgamation) or have a receiver or administrator appointed over all or any of its assets then the following provisions shall apply:

10.3.1 Such Member or the executor, trustee, curator, guardian, liquidator, receiver, administrator or other legal representative of such Member (hereinafter collectively and individually referred to in this Article as the "**Transferring Shareholder**") shall be bound if so required by written notice given by a majority of the other holders of Shares of the same class at any time within six months after the occurrence of the relevant event referred to in paragraph 10.1, 10.2 or 10.3 above, to sell and transfer all (but not only some of) the Shares vested in him to any Member or Members other than the Transferring Shareholder, willing to purchase the same (hereinafter called the "**purchasing Member(s)**") at such price as the parties may mutually agree or failing such agreement at the market value per Share as at the date of such notice certified in accordance with the provisions of Article 9.3 hereof.

10.3.2 If the Directors exercise the foregoing power to require a sale, the Shares vested in the Transferring Shareholder shall be offered to the Members other than the Transferring Shareholder in proportion to the number of Shares held by them respectively. Such offer shall be made by notice in writing by the Directors (a copy of which shall at the same time be given to the Transferring Shareholder) proposing a price for the sale and purchase of the Shares. Such offer shall be open for negotiation of such price between the Transferring Shareholder and the other Members (and written acceptance if so agreed) for a period of fourteen days from its date. If agreement on the price for the sale and purchase of the Shares is not reached by the expiry of said period of fourteen days between the Transferring Shareholder and any other Member(s) wishing to purchase such Shares, any Member shall be entitled by written notice to the Company to require that the market value of the Shares in question be fixed by the Valuer in accordance with the provisions of Article 9.3 hereof, and on the market value being certified by the Valuer, the Transferring Shareholder shall sell and such other Member(s) shall purchase such Shares at such market value.

The provisions of paragraphs 9.2, 9.4, 9.5 and 9.6 of Article 9 hereof shall apply *mutatis mutandis* to the sale and transfer of Shares under this Article and the words "Vendor" and "Offered Shares" where they appear in those paragraphs of Article 9 shall for the purposes of this Article mean the Transferring Shareholder and the Shares vested in the Transferring Shareholder respectively.

10.3.3 The Members who purchase the Shares of any other Member pursuant to the foregoing provisions shall procure that any personal guarantee or security granted



by such Member for the indebtedness of the Company is released or discharged on the date of completion of such purchase.

- 11 To the end of Regulation 29 of Table A there shall be added "provided that nothing in this Regulation shall apply to Shares held by two or more persons as trustees under a trust to which the Trusts (Scotland) Act 1921 applies".

11A Transmission

For the purposes of this article 11A, "transmittee" shall mean a person entitled to a Share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law.

- 11A.1 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.

- 11A.2 A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require (acting reasonably):

- a. may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person, and
- b. subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.

- 11A.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares.

- 11A.4 If a transmittee chooses to become the holder of Shares to which they have become entitled in accordance with paragraph 11A.2.(a) and paragraph 11A.5, the Directors shall only be obliged to register that transmittee as the holder of those Shares where the transmittee is an Original Member or a Permitted Transferee (where that is the case, the Directors shall register that transmittee as the holder of those Shares promptly) and shall refuse to register a transfer to any other person.

- 11A.5 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.

- 11A.6 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

- 11A.7 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

- 11A.8 The Directors shall only be obliged to register a transfer made or executed under this article where the transferee is an Original Member or a Permitted Transferee and shall refuse to register a transfer to any other person.

## **GENERAL MEETINGS**

- 12 No business shall be transacted at any General Meeting unless a quorum is present. Save as in these presents otherwise provided two members present in person entitled to vote and holding or representing by proxy at least one tenth in nominal value of the Ordinary Share capital for the time being issued shall be a quorum. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them (including, without limitation, by means of a conference telephone or similar communications



equipment or any other suitable electronic means) and attending by such means shall constitute presence in person at a meeting.

- 12A The Directors may make whatever arrangements they consider fit to allow those entitled to do so to attend and participate in any general meeting, including by means of electronic facilities and, for the avoidance of doubt, the Company shall not be under any obligation to offer or provide such facilities whatever the circumstances.
- 13 In paragraph (b) of Regulation 46 of Table A the words "one or more" shall be substituted for the words "at least two". Paragraphs (c) and (d) of said Regulation 46 shall be omitted.
- 14 On a poll votes may be given either personally or by proxy. A Member may appoint only one proxy in respect of his entire holding of each class of Shares in the Company.

## **DIRECTORS**

- 15.1 Unless and until otherwise determined by a General Meeting the number of Directors shall be no less than two nor more than ten.
- 15.2 The shareholding qualification for Directors may be fixed by the Company in General Meeting and unless and until so fixed no qualification shall be required.
- 15.3 A Director may hold any office or place of profit under the Company except that of Auditor and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with the office of Director for such period and on such terms as to remuneration and otherwise as the Directors may arrange. No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relationship thereof established. A Director may in so far as not prohibited by law be or become a Director or other officer of or be otherwise interested in any Company promoted by this Company or in which it is or may be interested as a vendor, shareholder or otherwise and any such Director shall not be accountable for any remuneration or other benefits received by him as Director or officer of or from his interest in such Company.
- 15.4 In Regulation 67 of Table A the words "by rotation" shall be deleted.
- 15.5 In Regulation 78 of Table A the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.
- 15.6 In Regulation 79 of Table A the words "A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof" shall be deleted.
- 15.7 In Regulation 84 of Table A the words "A managing director and a director holding any other executive office shall not be subject to retirement by rotation" shall be deleted.
- 15.8
- 15.8.1 The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds or life assurance scheme for the benefit of and the grant of donations gratuities pensions allowances benefits or emoluments to any persons (including Directors and other Officers) who are or shall have been at any time in the employment or service in any capacity of the Company or of any subsidiary company of the Company or of the predecessors in business of the Company or of any such subsidiary company and the partners,



spouses, families or dependants of any such persons.

- 15.8.2 The Directors may also procure the establishment and subsidy of or subscription to any associations institutions, clubs, funds, or trusts which they may consider calculated to benefit any such persons as aforesaid or otherwise to advance the interests of the Company or of its members and payment for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees of money for national educational scientific literary religious charitable or benevolent objects or for any exhibition or for any public general or useful object.
- 15.8.3 The Directors may procure any of the matters aforesaid to be done by the Company either along or in conjunction with any other company.
- 15.8.4 The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities and they may appoint, remove and reappoint any persons (whether members of their own body or not) to act as Directors, Executive Directors or managers of any such company or any other company in which the Company may be interested and may determine the remuneration (whether by way of salary commission on profits or otherwise) of any person so appointed.
- 15.(A) If a situation arises in which a director (the "**Conflicted Director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a "**Situation**") the Conflicted Director is, provided only that such Director declares such interest, authorised to continue to perform his duties, including attending, being counted in the quorum and voting at any meeting of the Directors notwithstanding any such conflict or potential conflict and the existence of such Situation shall not give rise to a breach of the duty of the Conflicted Director pursuant to section 175 of the 2006 Act (or as such section may be amended or restated or re-numbered from time to time).
- 15.(B) In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other (including, without limitation, by means of a conference telephone or similar communications equipment or any other suitable electronic means) provided that they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting. If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any one of them is.

### **BORROWING POWERS**

- 16 The Directors, without prejudice to their general powers, may in the name and on behalf of the Company and from time to time at their discretion borrow from themselves or from others any sum or sums of money for the purposes of the Company and mortgage or charge the undertaking, property and uncalled capital of the Company or any part thereof as security for any debt, liability or obligation of the Company or of any third party provided always that, save with the previous Sanction of an ordinary resolution of the members of the Company, the aggregate principal amount from time to time outstanding of all borrowings shall not at any time exceed the aggregate of the nominal amount paid up or credited as paid up on the share capital of the Company and any Reserves of the Company and otherwise the Directors may borrow upon such terms and in such matter as they think fit.

### **DIVIDENDS**

- 17 The Board may retain any dividend or other monies payable on or in respect of a Share



on which the Company has a lien and may apply the same in or towards satisfaction of the monies, debts, liabilities or engagements, in respect of which the lien exists, and may deduct from any dividend or such monies payable to a member, all such sums of money as may be due from the member to the Company, either alone or jointly with any other person. A General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up Shares or debentures of any other company and the Board shall give effect to such resolution; and where any difficulty arises in regard to that distribution the Board may settle the same as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of members and may vest any specific assets in trustee upon trust for the persons entitled to the dividends as may seem expedient to the Board and generally may make such arrangements for the allotment acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.

17(A)(1) Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the Directors decide.

17(A)(2) In these Articles, "the distribution recipient" means, in respect of a Share in respect of which a dividend or other sum is payable—

- (a) the holder of the Share; or
- (b) if the Share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

#### **PROCEEDINGS OF DIRECTORS**

18 The Directors may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

#### **NOTICES**

19 Subject to the Articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that



Companies Act 2006 to be sent or supplied by or to the Company.

- 20 Subject to the 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.
- 21 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 22
- 22.1 Subject to article 22.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 22.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - 22.1.2 if sent by fax, at the time of transmission; or
  - 22.1.3 if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
  - 22.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
  - 22.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - 22.1.6 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
  - 22.1.7 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; and
- if deemed receipt under the previous paragraphs of this article 22.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 22.2 To prove service, it is sufficient to prove that:
- 22.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - 22.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
  - 22.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
  - 22.2.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 22.3 A Transfer Notice may not be served or delivered in electronic form (other than by fax), or by means of a website.
- 22.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Companies Act 2006.