

Date: 1.5.11

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THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
ARTICLES of ASSOCIATION
of
NORTH HIGHLAND PRODUCTS LIMITED

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**NORTH HIGHLAND PRODUCTS LIMITED
(adopted by special resolution passed on • 2011)**

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Constitution of company

1 The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

Defined terms

2 In these articles of association, unless the context requires otherwise:-

- 2.1 "Act" means the Companies Act 2006;
- 2.2 "body" or "corporate body" shall be deemed to include a Scottish partnership;
- 2.3 "electronic form" has the meaning given in section 1168 of the Act;
- 2.4 "property" means any property, heritable or moveable, real or personal, wherever situated; and

- 2.5 “subsidiary” has the meaning given in section 1159 of the Act.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

- 4 The company’s objects are:

To encourage the development, promotion and marketing of food and drink produce of all kinds and food and drink production in all aspects by whatever means and actions are deemed expedient by the directors; to promote and protect the interests of food and drink producers of all kinds and food and drink production in all aspects, principally in Scotland and wherever members’ interests can be represented and advanced; to assist with the promotion of any schemes or movements designed to help or develop members’ food and drink or food and drink production businesses or generally to increase understanding and knowledge about food and drink and food and drink production in Scotland; to undertake and promote any activity which will bring benefit to the members and their food and drink and food and drink production businesses whether through collective buying or organisation or any other means; to undertake any activity which in the opinion of the directors will further any of the above objects.

- 5 The company’s objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may add to, remove or alter the statement of the company’s objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 The company shall have the following powers:-
- 7.1 To enter into all such contracts and arrangements as may be considered appropriate in relation to the conduct of the company’s business and/or other operations from time to time.
- 7.2 To make payments to members of the company (which may include, without limitation, the payment of annual bonuses) in pursuance of any contracts and arrangements of the nature referred to in paragraph 7.1.
- 7.3 To carry on any other activity which may appropriately be carried on in connection with any of the objects of the company.

- 7.4 To establish and/or participate in joint ventures and to promote companies and/or other bodies whose activities may further one or more of the above objects or may generate income to support the activities of the company, acquire and hold shares, stocks, debentures and other interests in such companies or other bodies, and carry out in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company.
- 7.5 To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the company.
- 7.6 To purchase, take on lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the company.
- 7.7 To improve, manage, enhance, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
- 7.8 To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
- 7.9 To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
- 7.10 To borrow money and give security for the payment of money by, or the performance of other obligations of, the company or any other person.
- 7.11 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments.
- 7.12 To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the company and the spouse, widow/er, relatives and dependants of any such individual; to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- 7.13 To oppose or object to any application or proceedings which may prejudice the company's interests.
- 7.14 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company and to obtain from any such organisation, government or authority any right, privilege or concession.

- 7.15 To enter into any arrangement for co-operation or mutual assistance with any body, whether incorporated or unincorporated.
- 7.16 To effect insurance against risks of all kinds.
- 7.17 To invest funds not immediately required for the purposes of the company's activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous, and to dispose of and vary such investments and securities.
- 7.18 To establish and support any association or other unincorporated body which is a charity having objects altogether or in part similar to those of the company and to promote any company or other incorporated body which is a charity formed for the purpose of carrying on any activity which the company is authorised to carry on.
- 7.19 To subscribe and make contributions to or otherwise support charities, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the company or with the furtherance of its objects.
- 7.20 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust, for any of the objects of the company.
- 7.21 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.
- 7.22 To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- 7.23 To do anything which may be incidental or conducive to the attainment of any of the objects of the company.

Restrictions on use of the company's assets

- 8 The income and property of the company shall (subject to article 10) be applied solely towards promoting the company's objects.
- 9 No part of the income or property of the company shall (subject to article 10) be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
- 10 The company may, notwithstanding the provisions of articles 8 and 9,
| 10.1 make payments (which may include, without limitation, annual bonus payments) to any member of the company in his/her/its capacity as a

participant in any Brand Scheme (as defined in article 22) operated by the company;

~~10.1~~10.2 reimburse any member in respect of any out-of-pocket expenses incurred by him/her in the course of his/her duties as a director of the company.

Liability of members

11 Each member undertakes that if the company is wound up while he/she/it is a member (or within one year after he/she/it ceases to be a member), he/she/it will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:

11.1 payment of the company's debts and liabilities contracted before he/she ceases to be a member;

11.2 payment of the costs, charges and expenses of winding up; and

11.3 adjustment of the rights of the contributories among themselves.

Structure of the company

12 The structure of the company consists of:-

12.1 the MEMBERS - who have the right to attend the annual general meeting (and any other general meetings) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves;

12.2 the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

Membership

13 The members of the company shall (subject to article 14) consist of such individuals and bodies as are admitted to membership under articles 16 to 21.

14 Those individuals and bodies who/which were members of the company as of the time when the resolution adopting these articles was passed shall re-apply for membership following the procedure set out in articles 16 to 21; if any such individual or body has not been admitted to membership under articles 16 to 21 by the expiry of the period of 12 weeks after the date on which the resolution adopting these articles was passed, he/she/it shall automatically cease to be a member with effect from the expiry of that period.

15 A member may not transfer his/her/its membership to any other individual or body.

Admission to membership

- 16 Membership shall (subject to articles 17, 19 and 24) be open to individuals or bodies who/which carry on business as livestock farmers within the following parameters:
- 16.1 those whose farm(s) is/are located north of the Caledonian Canal (ie within Caithness, Sutherland or Ross-shire):
- must have traded a minimum 100 lambs or 20 cattle in the preceding 12 months through the company
- or*
- must have supplied at least 80% of their total output of finished livestock in the preceding 12 months through the company;
- 16.2 those whose farm(s) is/are located south of the Caledonian Canal:
- who have demonstrated strong and/or enduring support for the Initiative.
- or*
- have traded a minimum 500 lambs or 100 cattle in the preceding 12 months through the company.
- 17 In addition to the criteria set out in article 16, the directors may (without prejudice to article 19) prescribe such further qualifications for membership as they may consider appropriate from time to time.
- 18 An individual or body eligible for membership under these articles (taking account of article 16 and also any further qualifications applicable at the time under article 17) who/which wishes to become a member shall
- 18.1 lodge with the company a written application (in such form as the directors require), signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer of that body; and
- 18.2 supply to the company such information and evidence in support of his/her/its application for membership as the directors may request.
- 19 The directors shall be entitled at their discretion to decline to admit to membership any individual or body applying for membership under article 18, and notwithstanding that he/she/it may fulfil the requirements of article 16 and any further qualifications for membership prescribed by the directors under article 17.
- 20 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application - and, where requested by the directors, supporting information and evidence - required under article 18.

- 21 The directors shall, as soon as reasonably practicable after the meeting at which an application is considered under article 20, notify the applicant in writing of the directors' decision as to whether or not to admit him/her/it to membership.

Brand Schemes

- 22 The directors shall introduce and adjust from time to time a detailed scheme or schemes (referred to in these articles as a "Brand Scheme") relating to the use by individuals and bodies who/which are carrying on business as livestock farmers (or such other types of business as the directors may determine from time to time) of the "Mey Selections" brand and/or such other brands as the company may develop from time to time.
- 23 For the avoidance of doubt, any Brand Scheme
- 23.1 may provide for the payment of annual bonuses to those participating in the scheme and/or the provision of such other benefits to those participating in the scheme as the directors may determine; and
- 23.2 shall contain provision for the expulsion from participation in the scheme of any individual or body who/which commits a breach of the terms and conditions laid down in the scheme.
- 24 An individual or body shall not be eligible for membership of the company unless he/she/it is a participant in a Brand Scheme applicable to livestock farmers.
- 25 For the avoidance of doubt, an individual or body may participate in a Brand Scheme applicable to livestock farmers without being a member of the company.
- 26 An individual or body who ceases for any reason to be a participant in a Brand Scheme shall automatically cease to be a member of the company.

Membership subscription

- 27 No membership subscription shall be due, whether at the time of admission as a member or on any periodic basis.
- 28 For the avoidance of doubt, article 27 shall not preclude the inclusion within any Brand Scheme of a provision to the effect that participants in that Brand Scheme (who may include members of the company) must make any payments (whether annual or otherwise) due under that Brand Scheme as a condition of continued participation in that Brand Scheme.

Review of membership

- 29 The directors shall review the membership of the company in January of each year, with a view to determining whether or not each of the then members continues to fulfil the requirements of article 16 and any further qualifications for membership prescribed by the directors under article 17; if the directors consider (at their discretion) that any individual or body does not fulfil any of those requirements or qualifications for membership - or that there is some other good reason why that individual or body should no longer be a member of the company - they shall notify that individual or body in writing accordingly, and he/she/it shall automatically cease to be a member with effect from the time when the written notification is given to him/her/it.
- 30 The directors may review the membership of the company at any other time, if they consider that appropriate; the provisions of article 29 shall apply in relation to any such review.

Register of members

- 31 The directors shall maintain a register of members - setting out the full name and address of each member, the date on which he/she/it was admitted to membership and the date on which any individual or body ceased to be a member.

Withdrawal from membership

- 32 Any individual or body who/which wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors require) signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer; he/she/it shall cease to be a member with effect from the date stated in the notice.

Expulsion from membership

- 33 Subject to articles 34 to 38 (and without prejudice to the powers of the directors under articles 29 and 30, which may be exercised without reference to the procedures set out in articles 33 to 39), the company may, by special resolution, expel any individual or body from membership;
- 33.1 on the grounds that that member (or any individual who is a director, partner, member or employee of that member) is considered to have acted in a manner which has caused, or may cause, significant prejudice to the interests of the company and/or all or a significant proportion of its members; or
- 33.2 on any other grounds which are considered to warrant expulsion from membership.
- 34 Any member who/which wishes to propose at any meeting a resolution for the expulsion of any individual or body from membership shall lodge with the company written notice of his/her/its intention to do so (identifying the

member concerned and specifying the grounds for the proposed expulsion) not less than six weeks before the date of the meeting.

- 35 The company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned, and the member concerned shall be entitled to make written representations to the company with regard to the notice.
- 36 If representations are made to the company in pursuance of the preceding article, the company shall (unless such representations are received by the company too late for it to do so):-
- 36.1 state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed; and
- 36.2 send a copy of the representations to every individual/body to whom notice of the meeting is or was given.
- 37 Whether or not a copy of written representations has been given to each of the individuals/bodies entitled to receive notice of the meeting, the individual concerned, or (in the case of a corporate body) the authorised representative of that body, shall be entitled to be heard on the resolution at the meeting.
- 38 Failure to comply with any of the provisions of articles 34 to 37 shall render any resolution for the expulsion of an individual or body from membership invalid.
- 39 An individual or body expelled from membership under articles 33 to 38 shall cease to be a member with effect from the time at which the relevant resolution is passed and shall not be eligible for re-admission to membership for a period of one year following his/her/its expulsion (unless otherwise determined by the directors).

General meetings

- 40 The directors shall convene an annual general meeting in each year.
- 41 Not more than 15 months shall elapse between one annual general meeting and the next.
- 42 The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).
- 43 Subject to articles 40, 41 and 42, the directors may convene general meetings whenever they think fit.

Notice of general meetings

- 44 At least 14 clear days' notice of general meetings must be given to all the members and directors; and (if auditors are in office at the time) to the auditors.

- 45 The reference to “clear days” in article 44 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted (or, in the case of a notice sent by electronic means, the day after it was sent), and also the day of the meeting, should be excluded.
- 46 A notice calling a meeting shall specify the time, date and place of the meeting; it shall
- 46.1 indicate the general nature of the business to be dealt with at the meeting;
 - 46.2 if a special resolution (see article 49) (or a resolution requiring special notice under the Act) is to be proposed, state that fact, giving the exact terms of the resolution; and
 - 46.3 contain a statement informing members of their right to appoint a proxy.
- 47 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 48 Notice of every general meeting shall be given:-
- 48.1 in hard copy form;
 - 48.2 (where the individual or body to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
 - 48.3 (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

Special resolutions and ordinary resolutions

- 49 For the purposes of these articles, a “special resolution” means a resolution of the members, which is either
- 49.1 passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 44 to 48 (for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting); or
 - 49.2 passed by members representing not less than 75% of the total voting rights of eligible members, when passed by way of a written resolution in accordance with articles 71 to 74.

- 50 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution
- 50.1 to alter its name; and / or
 - 50.2 to alter any provision of these articles or adopt new articles of association.
- 51 For the purposes of these articles, an “ordinary resolution” means a resolution, which is either:
- 51.1 passed by majority vote (taking account only of those votes cast in favour as compared with those votes cast against) at a general meeting, providing proper notice of the meeting has been given in accordance with articles 44 to 48; or
 - 51.2 passed by members representing a simple majority of the total voting rights of eligible members, where passed by way of written resolution in accordance with articles 71 to 74.

Proceedings at general meetings

- 52 No business shall be transacted at any meeting unless a quorum is present; the quorum shall be two members, present in person (in the case of a member which is a corporate body, present via its authorised representative) or represented by proxy.
- 53 If the quorum required under article 52 is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 54 The Chair of the company shall (if present and willing to act) preside as chairperson of the meeting; if the Chair of the company is not present and willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting, or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
- 55 A director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting.
- 56 The chairperson of the meeting may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.
- 57 A resolution put to the vote of a meeting shall be decided on a show of hands unless before the show of hands, or immediately after the result of the show of hands is declared, a secret ballot is demanded by the chairperson of the meeting or by any person present at the meeting and entitled to vote (whether

as a member, as the authorised representative of a member which is a corporate body or as the proxy for a member).

- 58 If a secret ballot is demanded in accordance with the preceding article, it shall be taken at once and shall be conducted in such manner as the chairperson of the meeting may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

Votes of members

- 59 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally (in the case of a corporate body, via its duly authorised representative present at the meeting) or by proxy.

- 60 A member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting:

60.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer; or

60.2 shall send by electronic means to the company at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

providing (in either case) the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting; for the avoidance of doubt, in calculating the 48-hour period referred to in the preceding provisions of this article 60, no account shall be taken of any day that is not a working day.

- 61 An instrument of proxy, or electronic communication containing the appointment of a proxy, which does not conform with the provisions of article 60, or which is not lodged or sent in accordance with such provisions, shall be invalid.

- 62 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

- 63 Subject to article 64, a proxy shall not be entitled to cast more than one vote in his/her capacity as a proxy (in addition to his/her own vote, if he/she is a member of the company), notwithstanding that he/she may have been appointed as proxy by more than one member.

- 64 The provisions of article 63 shall not apply in relation to the chairperson of a general meeting, where he/she has been appointed as proxy by two or more members, under instruments of proxy which in each case direct the

chairperson in his/her capacity as proxy as to the manner in which he/she is to cast the votes of the member who appointed him/her as proxy.

- 65 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who/which appointed him/her to speak at the meeting and need not be a member of the company.
- 66 A member which is a corporate body may, by resolution of its board of directors or other governing body, authorise an individual to act as its representative at any general meeting of the company.
- 67 The chairperson of a general meeting may require an individual who claims that he/she is authorised to act as the representative of a corporate body at that meeting to give such evidence of that authority as the chairperson may reasonably direct.
- 68 An individual authorised in pursuance of article 66 shall (subject to article 67) be entitled to exercise the same powers on behalf of the member which he/she represents as that corporate body could exercise if it were an individual member.
- 69 A vote given, or ballot demanded, by proxy or by the authorised representative of a member which is a corporate body shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot unless notice of such termination was received by the company at the company's registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting at which the vote was given or the ballot demanded.
- 70 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.

Written resolutions

- 71 A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the company in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it (which agreement cannot thereafter be revoked).
- 72 For the purposes of the preceding article:-
- 72.1 the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of

the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);

72.2 the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the Act, as follows:-

72.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 71) by members representing a simple majority of the total voting rights of eligible members;

72.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 71) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.

73 A resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 71.

74 For the purposes of article 71, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 72), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Number of directors

75 The maximum number of directors shall be ten

76 The minimum number of directors shall be three.

Election/appointment, retirement, re-election

77 Any individual who wishes to be considered for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that he/she is willing to be appointed; the notice must be signed by him/her and by at least two members nominating him/her for election and must be lodged with the company at least seven days before the date of the annual general meeting.

78 For the purposes of article 77:

78.1 a member may not nominate himself/herself for election;

78.2 a member shall not be entitled to nominate more than one individual for election at any given annual general meeting;

- 78.3 a member which is a corporate body shall sign the notice through an appropriate officer of that body.
- 79 At an annual general meeting the members may (subject to article 75) elect as a director any individual who has lodged the appropriate notice with the company in accordance with article 77.
- 80 The directors may at any time appoint any individual (providing he/she is willing to act) to be a director, either to fill a vacancy or (subject to article 75) as an additional director.
- 81 At each annual general meeting
- 81.1 any director who was appointed by the directors (under article 80) in the period from the date of the last annual general meeting shall retire from office; and
- 81.2 any director who has served a three-year term of office since he/she was last appointed or re-appointed shall retire from office)
- 82 For the purposes of article 81:
- 82.1 each of the directors in office at the time when these articles were adopted shall be deemed to have been first appointed as of the date on which these articles were adopted, and on the basis that the period between the adoption of these articles and the annual general meeting which next follows shall be deemed to be a period of one year;
- 82.2 the period between one annual general meeting and the next shall be deemed to be a period of one year;
- 82.3 the period between the date on which a director is appointed and the annual general meeting which next follows shall (subject to paragraph 82.1) be deemed to be a period of one year, unless it is of less than six months' duration (in which case it shall be disregarded);
- 82.4 if a director ceases to hold office but is then re-appointed as a director within a period of six months, he/she shall be deemed to have held office as a director continuously.
- 83 The members may (subject to article 75) at any annual general meeting re-elect any director who retires from office at the meeting under article 81 (providing he/she is willing to act); if any such director is not re-appointed, he/she shall retain office until the meeting appoints someone in his/her place or, if it does not do so, until the end of the meeting.

Disqualification and removal of directors

- 84 A director shall vacate office if:
- 84.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;

- 84.2 he/she is sequestrated;
 - 84.3 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity has continued, or is expected to continue, for a period of more than six months;
 - 84.4 he/she becomes an employee of the company;
 - 84.5 he/she resigns office by notice to the company;
 - 84.6 he/she is absent (without permission of the directors) from more than three consecutive meetings of directors and the directors resolve to remove him/her from office;
 - 84.7 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 94); or
 - 84.8 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 85 A resolution under paragraph 84.7 shall be valid only if:-
- 85.1 the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
 - 85.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
 - 85.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Appointments to offices

- 86 The directors shall elect from among themselves a Chair, and such other office bearers (if any) as they consider appropriate.
- 87 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 88 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Directors' interests

- 89 Subject to the provisions of the Act and provided that he/she has disclosed to the directors the nature and extent of any personal interest which he/she has

(unless immaterial), and has complied with the code of conduct (as referred to in article 94), a director (notwithstanding his/her office):-

- 89.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;
- 89.2 may be a party to, or have some other personal interest in, any transaction or arrangement in which the company or any associated company has an interest;
- 89.3 may be a director or secretary of, or have some other personal interest in, the company and/or may be a director or secretary of, or employed by or have some other personal interest in any associated company; and
- 89.4 shall not, because of his/her office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such company

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

- 90 For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers; the references to “associated company” shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.
- 91 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any Conflict Situation that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 92 For the purposes of article 91, a “Conflict Situation” means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company; and such that:-
 - 92.1 the situations and matters which fall within this definition may include (without limitation) (a) a situation where a director of the company becomes an employee, director, member of the management committee, officer or elected representative of a body which is a party to a significant contract with the company (or which is competing with the company in the context of any grant application) and (b) any

such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);

- 92.2 conflict of interest” for this purpose includes a conflict of interest and duty, and a conflict of duties.
- 93 For the avoidance of doubt, article 91 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that nature shall be governed by the provisions of articles 89 and 90, articles 118 to 122 and the code of conduct referred to in article 94.

Conduct of directors

- 94 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Directors’ remuneration and expenses

- 95 Subject to article 96, a director shall not be entitled to any remuneration in respect of carrying out his/her duties as a director or as holder of any office under article 86.
- 96 A director who holds the post of chief executive (or equivalent) of the company shall be entitled to retain all remuneration, and all pension and/or other benefits, paid or provided to him/her in his/her capacity as a member of the company.
- 97 The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings, meetings of committees of directors or otherwise in connection with the carrying-out of their duties.

Powers of directors

- 98 Subject to the provisions of the Act and these articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company.
- 99 No alteration of these articles given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 100 The powers conferred by article 98 shall not be limited by any special power conferred on the directors by these articles.

101 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

Proceedings of directors

102 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.

103 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.

104 The board of directors must meet not less than four times in each financial year.

105 At least five working days' notice shall be given in relation to each meeting of the directors, unless the Chair (or as the case may be, the other director who is calling the meeting) is of the view (acting reasonably) that the delay associated with giving five working days' notice would be likely to cause significant prejudice to the interests of the company, in which case he/she shall give such notice of the meeting as is reasonable in the circumstances.

106 Notice of every directors' meeting (including a short agenda in relation to the business to be conducted at the meeting) shall be issued to each director at the address, fax number or e-mail address which was last notified by him/her to the company for that purpose.

107 Only the business detailed in the agenda circulated to the directors may be considered at the meeting, subject to the qualification that any item of additional business may be considered if all of the directors present at the meeting consent to the consideration of that item of business.

108 Questions arising at a meeting of directors shall be decided by a majority of votes, and on the basis that (subject to article 109) every director shall have one vote.

109 In the case of an equality of votes, the chairperson of a meeting of directors shall have a second or casting vote.

110 The quorum for the transaction of the business of the directors shall be three.

111 If the quorum required under article 110 is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.

112 The continuing directors or a sole continuing director may act notwithstanding vacancies; but if the number of remaining directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting.

113 Unless he/she is unwilling to do so, the Chair of the company shall preside as chairperson at every meeting of directors at which he/she is present.

- 114 If the Chair of the company is unwilling to act as chairperson of a meeting of directors or is not present within 15 minutes after the time appointed for the meeting, the directors may appoint one of their number to be chairperson of the meeting.
- 115 The directors shall be entitled to allow any person to attend and speak (but not vote) at any meeting of the directors; a person invited to attend a meeting of the directors under the preceding provisions of this article shall not be entitled to exercise any of the powers of a director, and shall not be deemed to constitute a director for the purposes of the Act or any provision of these articles.
- 116 All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 117 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.
- 118 A director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly, a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the company.
- 119 For the purposes of the preceding article:-
- 119.1 an interest of a person who is taken to be connected with a director for any purpose of the Act shall be treated as a personal interest of the director;
- 119.2 a director shall be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter; and
- 119.3 an interest which is common to 75% or more of the members of the company shall not be deemed to be a personal interest or duty which conflicts or may conflict with the interests of the company.
- 120 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.

- 121 The company may by special resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of articles 118 to 120.
- 122 If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; his/her ruling in relation to any director other than himself/herself shall be final and conclusive.

Delegation to committees of directors and holders of offices

- 123 The directors may delegate any of their powers to any committee consisting of two or more directors; they may also delegate to the Chair of the company or a director holding any other office such of their powers as they consider appropriate.
- 124 Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
- 125 Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.
- 126 In addition to their powers under article 123, the directors may delegate their powers to any committee consisting of one or more directors and such other individuals (who need not be directors or employees of the company) as the directors may consider appropriate; the provisions of articles 124 and 125 shall apply in relation to any such committee, subject to the qualification that the role of any committee formed under the preceding provisions of this article shall be limited (except to the extent that the directors otherwise determine) to the issue of reports and recommendations for consideration by the board of directors.

Secretary

- 127 The directors may (notwithstanding the provisions of the Act), appoint a company secretary, and on the basis that the term of office, remuneration (if any), and other terms and conditions attaching to the appointment of the company secretary shall be as determined by the directors; the company secretary may be removed by the directors at any time.

Minutes

- 128 The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present, and

the minutes of each meeting shall be signed by the chairperson of that meeting.

Accounts

- 129 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.
- 130 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorised by the directors or by ordinary resolution of the company.

Notices

- 131 Any notice to be given in pursuance of these articles shall be in writing.
- 132 The company may give any notice to a member in pursuance of these articles either personally **or** by sending it by post in a pre-paid envelope addressed to the member at the address last intimated by him/her/it to the company **or** by leaving it at that address; alternatively, in the case of a member who/which has notified the company of an electronic address to be used for this purpose, the company may give any notice to that member by electronic means.
- 133 A member may give any notice to the company either by sending it by post in a pre-paid envelope addressed to the company at its registered office or by leaving it, addressed to the company secretary, at the company's registered office.
- 134 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 135 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Institute of Chartered Secretaries and Administrators.
- 136 A member present or represented at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

Winding-up

- 137 On a winding-up of the company, the net assets of the company remaining after settlement of its debts and liabilities shall be distributed among the individuals and bodies who were members of the company immediately prior to completion of the winding-up, and in some equitable proportion which reflects their respective contributions to the business of the company.

Indemnity

- 138 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office including, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
- 139 For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).