

Company number: SC213282

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS**

- of -

**BURNTISLAND FABRICATIONS LIMITED**  
**(the "Company")**

Passed on 17 April 2018

Pursuant to chapter 2 of part 13 of the Companies Act 2006 (the "Companies Act"), the following ordinary resolution and special resolutions (as indicated) were duly passed by the company as written resolutions:

**ORDINARY RESOLUTION**

1. That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company in connection with the issue and allotment of B ordinary shares in the capital of the Company (having the rights set out in the New Articles (as defined below)) up to an aggregate nominal value of £171,990;

provided that:

- (i) the authority granted under this resolution shall expire on 1 June 2018; and
- (ii) the Company may, before such expiry under paragraph (i) above of this resolution, make an offer or agreement which would require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the directors may allot such shares or grant such rights (as the case may be) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

**SPECIAL RESOLUTIONS**

2. That, subject to the passing of resolution 1 above, the directors be empowered pursuant to section 570 of the Companies Act to allot equity securities wholly for cash pursuant to the authority conferred by resolution 1 above as if section 561 of the Companies Act and any rights of pre-emption (however expressed) contained in the existing articles of association of the Company did not apply to any such allotment (the expression "equity securities" and references to the allotment of "equity securities" bearing the same respective meanings in this resolution as in section 560 of the Companies Act).

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3. That the articles of association (the "New Articles") contained in the document attached to this written resolution and initialled by a director for the purpose of identification be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association.
  
4. That, 280,616 ordinary shares of £1.00 each in the Company (being the entire issued ordinary share capital) be re-designated as 280,616 A ordinary shares of £1.00 each in the Company (having the rights set out in the New Articles).



.....  
Director

Company number: SC213282

THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

**BURNTISLAND FABRICATIONS LIMITED**  
(the "Company")

(Adopted by special resolution of the shareholders of the Company  
dated 17 April 2018)

**1. Preliminary**

- 1.1 Except as otherwise provided in these articles the Model Articles shall apply to the Company. In the case of any inconsistency between these articles and the Model Articles, the provisions of these articles shall prevail. A copy of the Model Articles is set out in the schedule to these articles.
- 1.2 Articles 7(2), 8, 9(3), 9(4), 11(2)], 14, 15, 18, 19(2), 19(4), 20, 21, 24(1) and (2), 26(1), 26(5), 27, 28, 29 31(1), 36(4), 41(1), 43, 44(4), 45(1), 46(4), 52 and 53 of the Model Articles shall not apply whilst Article 22(1), 30(1), 34(1), 36(1) of the Model Articles shall be amended by the deletion of the word "ordinary" and the replacement thereof by "special".
- 1.3 Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company.

**2. Definitions and interpretation**

- 2.1 In these articles the following words and expressions (except where the context otherwise requires) have the following meanings:

"**A Ordinary Shares**" means the A ordinary shares of £1.00 in the capital of the Company;

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

"**Acting in Concert**" bears the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

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**"Agreement"** means a shareholders' agreement entered into on 17 April 2018 between BiFab Holdings Limited and The Scottish Ministers as from time to time supplemented or varied;

**"Allotment Notice"** has the meaning given in article 7.1;

**"Associate"** in relation to any person means:

- (a) any person who is an associate of such person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986; and (whether or not an associate as so determined);
- (b) any Group Undertaking (as defined in section 1161 of the Companies Act) of that person;

**"B Ordinary Shares"** means the B ordinary shares of £1.00 in the capital of the Company;

**"Business Day"** means a day other than a day which is a Saturday, a Sunday or public holiday in Scotland;

**"Call Notice"** has the meaning given in article 24.1;

**"Company's Lien"** has the meaning given in article 23.1;

**"Controlling Interest"** means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**"electronic address"** has the same meaning as in section 333(4) of the Act;

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the Act;

**"Eligible Directors"** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of a particular matter);

**"hard copy form"** has the same meaning as in section 1168(2) of the Act;

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

**"New Shares"** has the meaning given in article 4.3;

**"Officer"** has the meaning given in section 1173(1) of the Act;

**"Original Shareholder"** has the meaning given in article 9.1;

**"Permitted Group"** in relation to a Shareholder which is an undertaking, means the group of undertakings consisting of:

- (a) any undertaking which is the parent undertaking of that Shareholder;
- (b) the subsidiary undertakings of any such parent undertaking or of the Shareholder from time to time,

except that it shall not include any undertaking in the capital of which a person other than the undertakings referred to in paragraphs (a) and (b) of this definition has any economic interest whether as a member or as the beneficial owner of any shares or by virtue of any contractual arrangement or in any other manner;

**"Permitted Transferee"** in relation to a Shareholder which is an undertaking means any member of the same Permitted Group as that Shareholder;

**"Proportionate Allocation"** has the meaning given in article 5(d);

**"Proposed Transfer"** has the meaning given in article 10.1;

**"Proposed Transferee"** has the meaning given in article 10.1;

**"Proposing Seller"** has the meaning given in article 10.1;

**"Relevant Officer"** means any director or other Officer or former director or Officer of the Company;

**"Shares"** means the A Ordinary Shares and the B Ordinary Shares (each a **"Share"**); and

**"Shareholder"** means a person registered as the holder of a Share.

2.2 Words and expressions defined in the Model Articles (or, in the absence of such definition therein, in the Act) shall have the same meaning in these articles unless the context requires otherwise.

2.3 In these articles:

- (a) reference to:
  - (i) any statute or statutory provision includes a reference:
    - (A) to that statute or statutory provision as from time to time consolidated, modified, re-enacted (with or without modification) or replaced by any statute or statutory provision; and
    - (B) any subordinate legislation made under the relevant statutory provision;
  - (ii) the singular includes the plural and vice versa and any gender includes other genders;
  - (iii) reference to presence at a meeting includes presence which is deemed *in accordance with these articles and in the case of a general meeting or class meeting* includes presence in person or by proxy or by duly authorised representative (and **"present"** is to be construed accordingly);
- (b) the words, **"parent undertaking"**, **"subsidiary undertaking"** and **"undertaking"** have the meanings given to them in sections 1162 and 1161 of the Act;
- (c) the word **"control"** has the meaning given in section 1124 of the Corporation Tax Act 2010;

- (d) the words "**include**", "**including**" and "**in particular**" are to be construed as being by way of illustration or emphasis only and are not to be construed so as to limit the generality of any words preceding them;
  - (e) the words "**other**" and "**otherwise**" are not to be construed as being limited by any words preceding them; and
  - (f) the table of contents and the headings to clauses and schedules are to be ignored in construing these articles.
- 2.4 Except as otherwise provided in these Articles, the A Ordinary Shares and the B Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 2.5 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class.
- 2.6 Without prejudice to the generality of article 2.5, the special rights attaching to the B Ordinary Shares shall be deemed to be varied by the occurrence of the Company effecting the following matters:
- (a) any alteration of these Articles.
  - (b) the creation, allotment, issue, buy-in or redemption of any share or loan capital or warrants or options for the issue of any share or loan capital or issue of any securities convertible into shares.
  - (c) the declaration or payment of any dividend or other distribution (as defined under section 1000 or section 1064 of the CTA 2010).

### 3. **Objects**

The objects of the Company are unlimited.

### 4. **Allotment of Shares**

- 4.1 The directors of the Company may not exercise any power of the Company to allot Shares or grant rights to subscribe for or convert any security into Shares unless they are authorised to do so by these articles or by a special resolution of the Company, such authorisation complying with section 551 of the Act.
- 4.2 Section 561(1) of the Act shall not apply to an allotment of equity securities made by the Company.
- 4.3 If the directors propose to allot any Shares it shall make offers to the Shareholders of the Shares to be allotted (the "**New Shares**") in the manner set out in articles 5, 6 and 7. Each offer must be in writing and must give details of the number and subscription price of the New Shares.

### 5. **Invitation to subscribe**

The directors shall give notice in writing to each Shareholder:

- (a) giving details of the number and subscription price of the New Shares;
- (b) inviting him to apply for the New Shares at the subscription price specified in the notice;
- (c) stating that he will have a period of 15 Business Days from the date of the notice in which to apply;
- (d) stating that, if there is competition among the Eligible Shareholders for the New Shares, the New Shares will be allocated to him in proportion (as nearly as may be) to his existing holdings of Shares (his "**Proportionate Allocation**");
- (e) inviting him to indicate if he is willing to purchase New Shares in excess of his Proportionate Allocation ("**Extra Shares**") and, if so, the number of Extra Shares.

## 6. Allocation

On expiry of an offer made in accordance with article 5 (or sooner if applications have been received from all Shareholders), the Company shall allot the New Shares as follows:

- (a) if the total number of New Shares applied for is equal to or less than the New Shares offered, each Shareholder shall be allocated the number applied for by him (provided that any Shares allocated and allotted to The Scottish Ministers and any of its Permitted Transferees will be allocated and allotted as B Ordinary Shares); or
- (b) if the total number of New Shares applied for is more than the New Shares offered, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of New Shares for which he has applied; and
- (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated;
- (d) fractional entitlements shall be rounded to the nearest whole number.

## 7. Allotment Notices

- 7.1 Once the allocation of the New Shares has been determined in accordance with article 6 the directors shall give written notice of allotment (the "**Allotment Notice**") to each Shareholder.
- 7.2 The Allotment Notice shall specify the number of New Shares allotted to each applicant and the place and time (being not less than 14 nor more than 28 days after the date of the Allotment Notice) by which Shareholders are obliged to make payment to the Company for the New Shares allotted to them (provided that any Shares allocated and allotted to The Scottish Ministers and any of its Permitted Transferees will be allocated and allotted as B Ordinary Shares).



- 7.3 On payment by a Shareholder for his New Shares the directors shall procure that a certificate for them is issued to him and that his name is entered in the register of members.

## **8. Transfer of Shares**

- 8.1 In articles 8 to 10 (inclusive), reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or in the economic rights attaching to that Share, the creation of a trust or encumbrance over that Share or the economic rights attaching to that Share or the renunciation of a renounceable letter of allotment in respect of that Share and reference to a Share includes a beneficial or other interest in a Share.

- 8.2 No Share may be transferred unless:

- (a) the transfer is made in accordance with these articles; and
- (b) any transferee who is not already a party to the Agreement has entered into any deed of adherence required under the Agreement.

- 8.3 Save in circumstances where the Shareholders unanimously agree otherwise, no Shares may be transferred by any Shareholder except in accordance with article 9 (Permitted Transfers).

- 8.4 Shares may be transferred in accordance with these articles by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

- (a) the transferor; and
- (b) (if any of the Shares is partly paid) the transferee,

save that where such instrument of transfer is in respect of the first transfer of a Share issued on the incorporation of the Company whether or not fully paid, article 8.5(b) does not apply.

- 8.5 The directors may refuse to register a transfer if:

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- (b) it is a transfer of a Share which is not fully paid:
  - (i) to a person of whom the directors do not approve; or
  - (ii) on which Share the Company has a lien;
- (c) the transfer is not lodged at the registered office or at such other place as the directors may appoint;
- (d) the transfer is not 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;
- (e) the transfer is in respect of more than one class of Shares; or
- (f) the transfer is in favour of more than four transferees.

- 8.6 If the directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

## **9. Permitted transfers**

- 9.1 A Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee.
- 9.2 Shares previously transferred as permitted by article 9.1 or this article may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder.
- 9.3 If a Permitted Transferee who was a member of the same Permitted Group as the Original Shareholder ceases to be a member of that Permitted Group, he must, not later than the date five Business Days after the date on which he so ceases, transfer his Shares to the Original Shareholder or a member of the same Permitted Group as the Original Shareholder.
- 9.4 A Shareholder may transfer a Share which is required to be transferred as a result of the acceptance of any offer made in accordance with article 10 (Transfers of substantial interests - tag along).

## **10. Transfers of substantial interests – tag along**

- 10.1 The provisions of article 10.2 will apply if a Shareholder (a "**Proposing Seller**") proposes a transfer of Shares (the "**Proposed Transfer**"), which would, if put into effect, result in any person (and Associates of his or persons Acting in Concert with him) (each a "**Proposed Transferee**") becoming the holder of a Controlling Interest.
- 10.2 A Proposing Seller must, before making a Proposed Transfer procure the making by the Proposed Transferee of an offer to the other Shareholders to acquire their Shares for a consideration per Share the value of which is at least equal to the highest consideration per Share paid or payable by the Proposed Transferee for any Share during the period of 12 months ending on the date of the offer.
- 10.3 The offer referred to in article 10.2 must be expressed to be capable of acceptance for a period of not less than 20 Business Days and if it is accepted by any Shareholder (an "**Accepting Shareholder**") within that period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.

## **11. Share certificates**

- 11.1 The Company shall issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds. Every certificate shall specify:
- (a) in respect of how many Shares, of what class, it is issued;
  - (b) the nominal value of those Shares; and
  - (c) any distinguishing numbers assigned to them.

- 11.2 A Shareholder exercising the right to be issued with a replacement certificate under article 25 of the Model Articles shall comply with such conditions as to evidence, indemnity and payment of a reasonable fee as the directors decide, including but not limited to the payment of the expenses reasonably incurred (if any) by the Company in investigating evidence as the directors may determine. Article 25(2)(c) of the Model Articles shall be modified accordingly.

## **12. Commission**

- 12.1 The Company may pay any person a commission in consideration for that person:

- (a) subscribing, or agreeing to subscribe, for Shares; or
- (b) procuring, or agreeing to procure, subscriptions for Shares.

- 12.2 Any commission payable by the Company may be paid:

- (a) in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other; and
- (b) in respect of a conditional or an absolute subscription.

## **13. Distributions**

- 13.1 Where a dividend or other cash sum which is a distribution is payable in respect of a Share, it shall be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient (as defined in article 31(2) of the Model Articles) in writing;
- (b) sending of 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 such other address as specified by the distribution recipient in writing;
- (c) sending of a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
- (d) any other means of payment as the directors agree with the distribution recipient in writing.

- 13.2 If:

- (a) a Share is subject to the Company's Lien; and
- (b) the directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share. The Company shall notify the distribution recipient in writing of:

- (c) the fact and sum of any such deduction;

- (d) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
- (e) how the money deducted has been applied.

#### **14. Decision making by Shareholders**

- 14.1 No business other than the appointment of the chairman of the meeting may be transacted at a general meeting unless a quorum is present. A quorum shall be formed by one or more Shareholders if those Shareholders are the holders of (or have been appointed as proxy in respect thereof) a total of not less than 51% of the issued A Ordinary Shares. Articles 41(1), 41(4) and 41(5) of the Model Articles shall not apply.
- 14.2 If any two or more Shareholders (or Qualifying Persons as defined in section 318(3) of the Act representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place at the location of the chairman.
- 14.3 If at any general meeting any votes are counted which ought not to have been counted, or are not counted which ought to have been counted, the error shall not vitiate the result of the voting unless:
  - (a) it is pointed out at the same meeting; and
  - (b) it is, in the opinion of the chairman of the meeting, of sufficient magnitude to affect the result of the voting.
- 14.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 14.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 14.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 14.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.
- 14.8 Proxies may only validly be appointed by a notice in writing (a "Proxy Notice") which:
  - (a) states the name and address of the Shareholder appointing the proxy;
  - (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) (subject to article 14.10) is either handed to the chairman any time before the start of the relevant meeting or delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 14.9 If a Proxy Notice is executed on behalf of the Shareholder appointing the proxy, it must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the directors deem appropriate) of the person who executed it to execute it on the appointor's behalf. Article 46(4) of the Model Articles shall not apply.
- 14.10 No voting rights attached to a Share which is nil paid may be exercised:
- (a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or
  - (b) on any proposed written resolution, unless all or some of the amounts payable to the Company in respect of that Share have been paid.
- 14.11 The A Ordinary Shares shall confer on each holder of A Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 14.12 The B Ordinary Shares shall confer on each holder of B Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

## **15. Directors**

- 15.1 Unless otherwise determined by special resolution, the number of directors is not subject to a maximum but must be not less than two.
- 15.2 Directors are entitled to such remuneration:
- (a) as the Company may by ordinary resolution determine for their services to the Company as directors; and
  - (b) as the directors may determine for any other service which they undertake for the Company.
- 15.3 Unless the Company by ordinary resolution resolves otherwise or, in the case of remuneration under article 15.4(b), the directors decide otherwise, directors' remuneration accrues from day to day.
- 15.4 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their attendance at:
- (a) meetings of directors or committees of directors;
  - (b) general meetings; or
  - (c) separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

**16. Alternate directors**

16.1 A director (other than an alternate director) may appoint another person (including another director) to be an alternate director and may remove from office an alternate director so appointed by him.

16.2 An appointment or removal of an alternate director must be made by notice to the Company from the director making or revoking the appointment or in any other manner approved by the directors.

16.3 Except as these articles specify otherwise, an alternate director:

- (a) is deemed for all purposes to be a director;
- (b) is liable for his own acts and omissions;
- (c) is subject to the same restrictions as his appointor; and
- (d) is not deemed to be an agent of or for his appointor,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

16.4 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
- (b) may sign a directors' written resolution (but only if his appointor is an Eligible Director in relation to that decision, but does not participate), and a written resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity.

No alternate may be counted as more than one director for such purposes.

16.5 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of each appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an Eligible Director in relation to that decision).

16.6 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director, except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

16.7 An alternate director's appointment as an alternate director shall terminate:

- (a) when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- (b) on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate director's appointor; or
- (d) when the alternate director's appointor's appointment as a director terminates for any other reason.

## **17. Vacation of office by directors**

17.1 The office of a director will be vacated if a director:

- (a) has a bankruptcy order made in respect of him;
- (b) ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;
- (c) in the reasonable opinion of all his co-directors becomes incapable by reason of mental disorder of discharging his duties as a director;
- (d) resigns his office by written notice to the Company and such resignation takes effect in accordance with its terms.

## **18. Proceedings of directors**

18.1 Notice of every meeting of the directors must in so far as reasonably practicable be given orally (or in writing) to each director and alternate director (whether or not in the United Kingdom), but the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, a director does not invalidate the proceedings at that meeting.

18.2 If the numbers for and against a proposal are equal, the chairman or other director chairing a meeting of the directors shall not have a casting vote.

18.3 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

18.4 Where a meeting of the directors is convened by the secretary or any director on at least five Business Days' notice in writing the quorum shall be two directors or their alternates, save that in the event that there is only one Eligible Director who would be entitled to vote on a matter if proposed as a resolution at such directors' meeting, the quorum for such meeting (or other decision making process) shall be one. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

## **19. Directors' interests**

19.1 Provided (if these articles so require) that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of his interest, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind; namely:

- (a) where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
  - (b) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
  - (c) where a director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
  - (d) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the company or body corporate in which the Company is in any way interested;
  - (e) where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
  - (f) where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer acts) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
  - (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (h) any other interest authorised by ordinary resolution.
- 19.2 For the purposes of this article, an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.
- 19.3 In any situation permitted by this article (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.
- 19.4 The Company has, by ordinary resolution, resolved for the purposes of paragraph 47(3)(b) of schedule 4 to the Companies Act 2006 (Commencement No.5, (Transitional Provisions and Savings) Order 2007) that authorisation of conflicts of interest may be given by the directors within section 175(5)(a) of the Act.
- 19.5 Any authority given in accordance with section 175(4)(b) of the Act in respect of a director ("**Interested Director**") who has proposed that the directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:
- (a) be given on such terms, and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation:



- (i) restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest;
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed; or
  - (iii) restricting the application of the provisions in articles 19.5 and 19.6, so far as is permitted by law, in respect of such Interested Director;
- (b) be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest as they see fit from time to time; and

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 174(4)(b) and this article 19.

- 19.6 Subject to article 19.7 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this article), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- (a) to disclose such information to the Company or to the directors, or to any director, officer or employee of the Company; or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.
- 19.7 Where such duty of confidentiality arises out of a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, article 19.5 shall apply only if the conflict arises out of a matter which falls within article 19.1 above or has been authorised under section 175(5)(a) of the Act (subject to any restrictions imposed by the authorising directors).
- 19.8 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered; and
  - (b) excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.
- 19.9 Subject to section 182 of the Act, a director shall declare the nature and extent of any interest permitted by article 19.1 at a meeting of the directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the

Act or in such other manner as the directors may determine, except that no declaration of interest shall be required by a director in relation to an interest:

- (a) falling under article 19.1(g);
- (b) if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these articles.

19.10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article.

19.11 For the purposes of this article:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a director; and
- (c) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified.

## 20. Secretary

Subject to the provisions of the Act, the directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

## 21. Notices

21.1 Subject to the requirements set out in the Act and subject to article 21.2, any notice given or document sent or supplied to or by any person under these articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) (by the Company) by means of a website (other than notices calling a meeting of directors),

*or partly by one of these means and partly by another of these means.*

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this article 21.

- 21.2 The Company shall not be obliged to send to an address outside the United Kingdom any notice containing an offer to sell or acquire Shares. If a Shareholder has no registered address in the United Kingdom and has not notified an address for service in the United Kingdom then the offer shall be deemed to have been made to him even if notice of the offer has not been sent to him.

*Notices in hard copy form*

- 21.3 Any notice or other document in hard copy form given or supplied under these articles may be delivered or sent by first class post (airmail if overseas):
- (a) to the Company or any other company at its registered office; or
  - (b) to the address notified to or by the Company for that purpose; or
  - (c) in the case of an intended recipient who is a Shareholder or his legal personal representative or trustee in bankruptcy, to such Shareholder's address as shown in the Company's register of members; or
  - (d) in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors; or
  - (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
  - (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in article 21.3 (a) to (e) above, to the intended recipient's last address known to the Company.

- 21.4 Any notice or other document in hard copy form given or supplied under these articles will be deemed to have been served and be effective:
- (a) if delivered, at the time of delivery; and
  - (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

*Notices in electronic form*

- 21.5 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these articles may:
- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
  - (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under article 21.2; or
  - (c) be sent by such other electronic means and to such address(es) as the Company may specify:
    - (i) on its website from time to time; or
    - (ii) by notice (in hard copy or electronic form) to all Shareholders from time to time.

- 21.6 Any notice or other document in electronic form given or supplied under these articles shall be deemed to have been served and be effective:
- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 24 hours after the time it was sent, whichever occurs first;
  - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - (c) if delivered in an electronic form, at the time of delivery; and
  - (d) if sent by any other electronic means as referred to in article 21.5(c), at the time such delivery is deemed to occur under the Act.

21.7 Where the Company is able to show that any notice or other document given or sent under these articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

*Notice by means of a website*

21.8 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these articles may be given, sent or supplied by the Company by making it available on the Company's website.

*General*

21.9 In the case of joint holders of a Share all notices must be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given constitutes notice to all the joint holders.

21.10 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

21.11 A document or information sent or supplied to the Company by one person on behalf of another must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the directors deem appropriate) of that person to act on behalf of the other.

## **22. Indemnity and insurance**

22.1 Subject to article 22.2:

- (a) each Relevant Officer of the Company shall be indemnified out of the Company's assets against:
  - (i) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;

- (ii) any liability incurred by that person in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
    - (iii) any other liability incurred by that person as an officer of the Company; and
  - (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with defending any civil or criminal proceedings or any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 22.2 This article 22 does not authorise or provide any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 22.3 The directors shall be entitled to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company any pension fund or employees' share scheme of the Company.
- 22.4 In this article 22, companies are "associated" if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

### 23. Lien

- 23.1 The Company shall have a first lien (the "**Company's Lien**") over every Share (whether or not fully paid) for any amount (whether presently payable or not) owing to the Company from the holder (whether a sole holder or one of two or more joint holders) whether or not it is owing in respect of that Share, and whether or not a Call Notice has been sent out in respect of it.
- 23.2 The Company's Lien over a Share:
- (a) shall take priority over any third party's interest in that Share; and
  - (b) shall extend to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

The directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.

- 23.3 Subject to the provisions of this article 23, if:
- (a) a notice complying with article 23.4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a Share; and
  - (b) the person to whom the notice was given has failed to comply with it,

then the Company shall be entitled to sell that Share in such manner as the directors decide.

- 23.4 A Lien Enforcement Notice:

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the Share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

23.5 Where any Share is sold pursuant to this article 23:

- (a) the directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale.

23.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable over the Share before the sale for any money payable in respect of the Share after the date of the Lien Enforcement Notice.

23.7 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, shall constitute a good title to the Share.

## 24. Call Notices

24.1 Subject to these articles and the terms on which Shares are allotted, the directors may send a notice (a "Call Notice") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company by that Shareholder when the directors decide to send the Call Notice.

24.2 A Call Notice:

- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
  - (b) shall state when and how any call to which it relates it is to be paid; and
  - (c) may permit or require the call to be paid by instalments.
- 24.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent.
- 24.4 Before the Company has received any call due under a Call Notice the directors may:
  - (a) revoke it wholly or in part; or
  - (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 24.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 24.6 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:
  - (a) pay calls which are not the same; or
  - (b) pay calls at different times.
- 24.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
  - (a) on allotment;
  - (b) on the occurrence of a particular event; or
  - (c) on a date fixed by or in accordance with the terms of issue.
- 24.8 If the due date for payment of such a sum as referred to in article 24.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 24.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):
  - (a) the directors may issue a notice of intended forfeiture to that person; and
  - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below).
- 24.10 For the purposes of article 24.9:

- (a) the "**Call Payment Date**" shall be the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**Call Payment Date**" is that later date; and
- (b) the "**Relevant Rate**" shall be:
  - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the directors; or
  - (iii) if no rate is fixed in either of these ways, five per cent. a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

24.11 The directors may waive any obligation to pay interest on a call wholly or in part.

24.12 The directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

## **25. Forfeiture of Shares**

25.1 A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice;
- (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice;
- (d) shall state how the payment is to be made; and
- (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

25.2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

25.3 Subject to these articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.



- 25.4 Any Share which is forfeited in accordance with these articles:
- (a) shall be deemed to have been forfeited when the directors decide that it is forfeited;
  - (b) shall be deemed to be the property of the Company; and
  - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 25.5 If a person's Shares have been forfeited then:
- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
  - (b) that person shall cease to be a Shareholder in respect of those Shares;
  - (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
  - (d) that person shall remain liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
  - (e) the directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 25.6 At any time before the Company disposes of a forfeited Share, the directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.
- 25.7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the directors shall be entitled to authorise any person to execute the instrument of transfer.
- 25.8 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a Share has been forfeited on a specified date:
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 25.9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 25.10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:
- (a) was, or would have become, payable; and

- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.

## **26. Surrender of Shares**

26.1 A Shareholder shall be entitled to surrender any Share:

- (a) in respect of which the directors issue a notice of intended forfeiture;
- (b) which the directors forfeit; or
- (c) which has been forfeited.

The directors shall be entitled to accept the surrender of any such Share.

26.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.

26.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.

## **27. Purchase of own Shares**

27.1 Subject to the Act, the Company may, with the prior consent of the holders of a majority of the B Ordinary Shares and A Ordinary Shares, purchase its own Shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act, to the extent permitted by section 692(1ZA) of the Act.

27.2 Subject to the consent of BiFab Holdings Limited, in order to give retrospective effect to article 26 (drag along) as set out in the articles of the Company that were in force immediately prior to the adoption of these Articles and noting that the entire issued share capital of the Company was acquired for £1 at the time of adoption of these Articles, and subject to the Act, to the extent it transpires that any shares in the capital of the Company were at the time of adoption of these articles and continue to be held by a person other than BiFab Holdings Limited or The Scottish Ministers, such shares may be purchased by the Company at any time at its option for one penny for all such shares without obtaining the sanction of the holder(s).