

THE COMPANIES ACT 1985 AND THE COMPANIES ACT 2006

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A PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

LIGHT AIRCRAFT ASSOCIATION LIMITED

(Formally PFA (Ulair) Ltd)

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(As altered by Special Resolution passed on 11th December 2009)

PRELIMINARY

1. (a) The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 as amended by the Companies (Table A to F) (Amendment) Regulations 1985, the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No.2) Regulations 2007, subject to the additions, exclusions and modifications hereinafter expressed, shall apply to the above named Light Aircraft Association Limited (hereinafter called "the Company") and shall constitute the Articles of Association of the Company (hereinafter called "the Articles").

- (b) In these Articles –

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force.

"the Company" means Light Aircraft Association Limited

"the Articles" means the articles of the Company.

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"communication" means the same as in the Electronic Communications Act 2000.

"executed" includes any mode of execution.

"office" means the registered office of the Company.

"member" means a member of the Company and a beneficial shareholder.

“Secretary” means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

“the Chief Executive Officer” means a person elected by the Board to act as the Chief Executive Officer (CEO) of the Company. The CEO shall for the time of his office be a Director of the Company subject to a probationary period of not less than three calendar months.

“the United Kingdom” means Great Britain and Northern Ireland.

Words importing one gender shall include all genders, and the singular includes the plural and vice versa.

- (c) Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company. Any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles. Any references in these Articles to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

#### SHARE CAPITAL

2. (a) The issued share capital of the Company shall be held by the Chief Executive Officer for the time being in office as a nominee shareholder. Upon becoming a nominee shareholder, the Chief Executive Officer shall be entitled without payment to one certificate for all the shares held by him and shall sign a declaration of trust in favour of the beneficial shareholders and a blank share transfer form to be held by the Company.
- (b) Any beneficial shareholder required by the Board to cease being a member of the Company shall be deemed irrevocably to have authorised completion and registration of the transfer of the beneficial right in his share to another person as a beneficial shareholder.
3. The Company is a private company. Accordingly, no offer or invitation shall be made to the public (whether for cash or otherwise) to subscribe for shares in or debentures of the Company and the Company shall not allot or agree to allot (whether for cash or otherwise) shares in or debentures of the Company with a view to all or any of them being offered for sale to the public.
4. (a) Subject to section 80 of the Act and Article 4 (b) below, all shares shall be under the control of the Directors who may allot or otherwise deal with or dispose of the same to such persons and generally on such terms and in such manner as they think fit.
- (b) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act to allot shares in the Company provided that the aggregate nominal value of the shares allotted pursuant to this authority shall not exceed the amount of the authorised share capital of the Company as stated in these Articles; and that this authority shall expire five years after the date of the adoption of these Articles unless varied or revoked or renewed by the Company in General Meeting.
- (c) In accordance with Section 91 of the Act, Section 89(1) and Sections 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

## SHARE CAPITAL RIGHTS

5. The authorised share capital of the Company at the date of the adoption of these Articles is £100 divided into 10,000 shares of £0.01 pence each.

## TRANSFER OF SHARES

6. The Board may, in its absolute discretion, and without assigning any reason therefore, decline to register any transfer of any share. Without prejudice to the generality of the foregoing, the Board may also refuse to register a transfer unless:
  - (a) it is lodged at the office or at such other place as the Board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) it is in respect of only one class of shares; and
  - (c) it is in favour of not more than four transferees.
7. Regulation 24 of Table A shall not apply to the Company.

## ELECTRONIC COMMUNICATION AND USE OF A WEBSITE

8. Subject to the provisions in the Companies Act 2006, the Company may supply a document or information to its members by electronic communication and by making it available on its website.

## SHAREHOLDERS' RIGHTS AND CONDUCT

9. No shareholder shall have power to enter into any contract, obligation or expense on behalf of the Company unless authorised by the Board and any shareholder who does so shall be personally liable thereafter.
10. The nominee shareholder may nominate beneficial shareholders as entitled to enjoy or exercise the following rights of the shareholder in relation to the Company:-
  - (a) the right to be sent a proposed written resolution
  - (b) right to require circulation of written resolution
  - (c) right to require directors to call a General Meeting
  - (d) right to receive notice of General Meetings
  - (e) right to appoint a proxy to act at General Meetings
  - (f) right to require to be sent a copy of annual accounts and reports.
11. So far as is necessary to give effect to the provisions in Article 10 above, anything required or authorised by these Articles or any provision of the Companies Acts to be done by or in relation to the shareholder may instead be done by the nominated person or each of the nominated persons as the case may be, as if he/they were a member of the Company.

## ANNUAL GENERAL MEETING

12. (a) The Annual General Meeting (hereinafter called "the AGM") shall be held at such time and place as may be determined by the Board provided that the period between two meetings does not exceed fifteen months.

- (b) The notice convening the AGM shall be dispatched to the beneficial shareholders at least three calendar months prior to the date of the meeting and shall state the date, time and place of such meeting and give the closing dates for submission of notices of motion under Article 12 (c) and nomination of candidates for election to the Board under Article 23 (c). The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.
- (c) A notice of motion for the AGM must be submitted to the Secretary in writing, duly signed by the proposer and seconder, who must be beneficial shareholders in the Company. Notices of motion concerning amendments to the Articles must be received not less than twenty-one days before the meeting. The Board shall consider proposals for amendments to the Articles in advance of the AGM and decide whether or not it supports the proposals.
- (d) The agenda for the AGM shall be published on the Company's website at least seven days before the date of the meeting. Only matters included on the agenda for the meeting shall be discussed at the AGM, save that proposals to amend notices of motion on the agenda may be taken at the meeting itself. The agenda shall be accompanied by confirmation of the date, time and place of the meeting, a list of candidates for election proposed under Article 23 (b) and a list of any notices of motion concerning amendments to the Articles under Article 12 (c). The accidental omission to publish the agenda shall not invalidate the proceedings of that meeting.
- (e) The audited accounts of the Company and the AGM minutes for the preceding year will be available prior to the meeting and thereafter upon application to the Secretary.

#### EXTRAORDINARY GENERAL MEETINGS

- 13. (a) Any general meeting other than the Annual General Meeting shall be called an Extraordinary General Meeting (hereinafter called "EGM").
- (b) An EGM of the Company shall only be held by direction of the Board, or by written requisition to the Secretary signed by at least one per cent of the beneficial shareholders in the Company or fifty of those shareholders whichever is greater. The requisition shall specify the motions or proposed resolutions for discussion at the meeting. When the requisition is made by a group of beneficial shareholders, each shall print his name and membership number below his signature. Their signatures will be deemed to signify that they have seen the motions contained therein and are party to them. The meeting shall be held within ten weeks of receipt of such requisition.
- (c) The business to be transacted at the meeting shall be listed on the agenda, and shall be limited to matters identified by the Board and those submitted in the requisition.
- (d) Notice convening an EGM shall state the date, time, place and agenda for the meeting and it shall be dispatched to the beneficial shareholders at least 14 clear days prior to the date of the meeting. The accidental omission to give notice of a meeting to, or the non-receipt of the notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

#### VOTING AT GENERAL MEETINGS

- 14. Beneficial owners of the shares held by the nominee shall have the right to vote with their membership cards at the General Meetings of the Company.

15. Each beneficial shareholder shall have only one vote in respect of his share.
16. (a) At General Meetings, motions shall normally be decided by a simple majority of beneficial shareholders present. Proxy votes are permitted and must be submitted to the Secretary at the registered office address, or where permitted, by means of electronic communication as instructed on the proxy form, at least 48 hours in advance of the General Meeting or adjourned meeting at which the proxy is appointed to vote.
  - b) The appointment of a proxy shall be executed by the appointer and shall be in the approved format.
  - c) The approved format for the appointment of a proxy shall be published on the Company's website and it will be dispatched together with a notice convening each General Meeting.
17. The chairman of such a meeting shall have a second or casting vote. Beneficial shareholders shall have one vote each. Decisions or motions concerning the amendments to the Articles shall be decided by the meeting as above.

#### QUORUM AT GENERAL MEETINGS

18. The quorum at a general meeting shall be one percent of the beneficial shareholders eligible to vote, or fifty of those members whichever is the greater. If, at the time appointed for the meeting, there shall not be a quorum, the meeting shall be adjourned for twenty minutes and then, subject to the chairman's sole discretion, be resumed as a valid meeting whether or not there shall be a quorum. If a quorum ceases to be present, the meeting will continue subject to the chairman's sole discretion. The absence of a quorum shall not invalidate the proceedings of the meeting.

#### CHAIRMAN OF A GENERAL MEETING

19. The chairman of a General Meeting shall be the chairman of the Board or a Vice-Chairman, or the Chairman's delegated representative. If none of these are present, then the meeting shall elect a chairman from the Directors present.

#### PUBLICATION OF MOTIONS FOR THE AGM OR AN EGM

20. The Secretary may decline to publish verbatim any motion, or statement supporting it, which he deems to be libellous or defamatory, in which case he shall substitute a version which conveys as clearly as possible the meaning and intent of the original, but which omits the element considered libellous or defamatory. When such action is necessary he will make clear the wording has been altered.

#### MINUTES OF MEETINGS

21. Minutes shall be taken of all meetings of the Company, the Board and sub-committees. Such minutes shall be properly recorded and subsequently confirmed.

#### THE BOARD OF DIRECTORS

22. (a) The Company shall be governed by a Board of Directors (hereinafter called "the Board") which shall consist of a maximum of twelve Directors comprising:-
  - a maximum of ten elected in accordance with Article 23 (c);
  - a maximum of four co-opted under Article 23(f); and
  - the Chief Executive Officer appointed under Article 23 (g) below.

- (b) Regulation 64 of Table A shall not apply to the Company.

#### ELECTION AND APPOINTMENT TO THE BOARD

- 23. (a) No person may be elected or co-opted to the Board unless he has been a beneficial shareholder continuously for at least two years, with the exception that in the first two years following the date of the resolution adopting these Articles, persons who had been members of the Light Aircraft Association or its predecessor unincorporated association continuously for at least two years on that date, may be elected or co-opted.
- b) Nominations of candidates for election and re-election to the Board must be received by the Secretary not less than two calendar months before the Annual General Meeting with an intimation in writing that the beneficial shareholder nominated is willing to serve, which must be duly signed by the proposer and seconder, who must also be beneficial shareholders.
- c) If the number of candidates nominated for the Board exceeds the number of vacancies, a vote will take place for each vacancy according to the provisions of Articles 14-16. Where two candidates receive the same number of votes, the election will be determined by drawing lots. In the event of the number of candidates not exceeding the number of vacancies for election to the Board, the candidates so nominated will be deemed to be elected unopposed.
- d) Board members elected under Article 23 (c) above shall serve a maximum term of 3 periods, where a period is the time between successive Annual General Meetings. Individual terms of office shall be set at 1, 2, and 3 periods so that one third of the board retires at each Annual General Meeting.
- e) The allocation of terms of office shall be determined by the Secretary at the time of election and shall be based on the number of votes cast, favouring those with the most votes or, where Directors are returned unopposed or there is an equality of votes, by lot. Except where they stand down before the expiry of their term of office, retiring Directors shall be eligible to stand for re-election. The Secretary shall be the sole interpreter of these provisions and his decisions shall not be challenged.
- f) Casual vacancies occurring on the Board may be filled by the Board itself, but Directors so co-opted shall, pending formal election, only hold office until the next Annual General Meeting. The maximum number of co-opted Directors shall be four. Such Directors may be co-opted for one further term only.
- g) Staff may not be elected or co-opted to the Board with the exception of the Chief Executive Officer for the time being. Elected or co-opted members of the Board who join the staff shall resign from the Board.

#### DISQUALIFICATION OF DIRECTORS

- 24. The office of a Director shall be vacated: -
  - a) If he resigns the office of Director by giving notice in writing to the Company.
  - b) If he ceases to be a Director by virtue of any provision of the Act or he is prohibited by law from becoming a director.
  - c) If he becomes bankrupt or enters into a Creditors Voluntary Arrangement with his creditors.

- d) If he becomes of unsound mind
- e) If he is dismissed by resolution of the Board
- f) If he ceases to be a beneficial shareholder.

#### BOARD MEETINGS

25. a) The Board shall meet on at least six occasions a year; the interval between Board meetings shall not exceed thirteen weeks. A special meeting may be summoned at any time by the chairman or one of the vice-chairmen or on requisition signed by one third of the members of the Board all of whom shall have attended the last Board meeting.
- b) The quorum for the Board meeting shall be six members, one of whom must be the chairman or vice-chairman or the chairman's delegated representative. If a quorum is not present, or if at any time during a meeting there is not a quorum present, the meeting shall be adjourned to a time and place to be determined by the chairman of the meeting, or by those present in the absence of the chairman.
- (c) A person in communication by electronic means with the chairman and with all other parties to a Board meeting shall be regarded for all purposes as personally attending such a meeting provided that but only for so long as at such meeting he / she has the ability to communicate interactively and simultaneously with all other parties attending the meeting including all persons attending by electronic means.
- (d) A meeting at which one or more Board members attend by electronic means is deemed to be held at such a place as the Board members at that meeting shall resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the Directors attending the meeting are physically present, or in default of such a majority, the place at which the Chairman of the meeting is physically present.
- (e) Elected and co-opted Board members shall each have one vote. In the case of an equality of votes at a meeting of the Board, the chairman of the meeting shall have a second or casting vote.
- (f) The Board at its meeting, after the Annual General Meeting of the Company, shall elect from amongst its number the chairman and two vice-chairmen, the Secretary of the Company, and such other officers of the Company as it deems appropriate. The Board may revise these elections and appointments at any time.
- (g) The Board may invite or require other beneficial shareholders or staff, or invite non-shareholders, to attend and participate in Board meetings. Such other persons attending shall have no voting rights.
- (h) Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

#### BORROWING POWERS

26. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## AUTHORITY OF THE BOARD

### 27. a) Rules and Regulations

Rules are promulgated on matters of Company governance. Regulations are promulgated on operational and administrative matters. The Board shall have the power to make and vary such Rules and Regulations of the Company as it may think fit, provided that these do not conflict with the Articles. Changes to the Articles must be agreed by the Company in general meeting before implementation.

The beneficial shareholders of the Company may bring motions for changes to the Rules only to a general meeting of the Company when, if the motion is carried, the changes shall be binding on the Company and its Board of Directors provided that these do not conflict with the Articles. Such motions shall be subject to the provisions of Articles 12-20.

### b) Interpretation of the Rules and Regulations

Except where otherwise provided in these Articles, the Board shall be the sole authority as to the interpretation of the Rules and Regulations and for settling any disputes relating to the affairs of the Company and the conduct of the beneficial shareholders in relation thereto.

### c) The Board shall be solely responsible for all Company policy decisions and statements of Company policy.

## DELEGATION OF DIRECTORS' POWERS

28. The Board of Directors may delegate any of their powers to any committee consisting of such person(s) as they think fit. Such committees may include person(s) who are not members of the Board or members of the Company. They may also delegate to any Director such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

29. Regulations 65 to 69 (inclusive) of Table A shall not apply to the Company.

## REMUNERATION OF DIRECTORS

30. Except as may be approved by the beneficial shareholders in General Meeting, the Directors shall not receive remuneration for their services to the Company with the exception of the Chief Executive Officer who shall be entitled to such remuneration as the Board, in its absolute discretion, may determine.

31. The Chief Executive Officer and any remunerated Director may not take part in a vote on his own remuneration.

32. Regulation 82 of Table A shall not apply to the Company.

## DIVIDENDS

33. No dividend shall be paid to any holder of shares in the Company in respect of any surplus of the Company and all the surplus and other income of the Company shall be applied in promoting the objects of the Company.

34. Regulations 102 to 108 (inclusive) and regulation 110 of Table A shall not apply to the Company.

## WINDING UP

35. In the event of the Company being wound up, any assets or property whatsoever shall not be paid or distributed among the shareholders but shall be given or transferred to some institution or institutions having objects similar to the objects of this Company. Such other institution or institutions shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as imposed under this Company. Such institution or institutions shall be determined by the beneficial shareholders at or before the time of the dissolution or, in default thereof, by such Judge of the High Court of Justice as may have or acquire jurisdiction in this matter.
36. If, and so far as, effect cannot be given to the provisions under Article 35 above, the income and property shall be distributed to some charitable object as the Company may determine by ordinary resolution in General Meeting.
37. Regulation 117 of Table A shall not apply to the Company.

## INDEMNITY

- (a) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 1157 of the Act, in which relief is granted to him by the Court.
- (b) No Director or other officer of the Company shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.
- (c) Regulation 118 of Table A shall not apply to the Company.

## SINGLE-MEMBER COMPANY

39. If, and for so long as, the Company has only one member, the following provisions shall apply-
  - a) One person entitled to vote upon the business to be transacted, being the sole member of the Company or a proxy for that member or (if such member is a corporation) a duly authorised representative of such member, shall be a quorum and Article 15 shall be modified accordingly;
  - b) All other provisions of these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company which has only one member.