

# **Alderney Flying Training Limited**

# **SHAREHOLDER AGREEMENT**

**Between:**

**Alderney Flying Training Limited (the company)**

**and**

**the Shareholder (as named on page 5)**

## **ALDERNEY FLYING TRAINING LIMITED SHAREHOLDER AGREEMENT**

### **1. The Name of The Company**

Alderney Flying Training Limited, (AFTL), a company incorporated in Alderney.

### **2. Object**

The object of the Company is to provide safe and economical flying for the shareholders of the Company through the ownership and operation of an aircraft.

### **3. Administration**

The Company shall be administered by a Board of Directors consisting of a minimum of two Directors, at least 50% of which, must reside in Alderney. The Directors shall be elected by the Shareholders of the Company, normally at an Annual General Meeting. Should it be necessary, mid-term, the Directors can appoint a replacement Director should a Director resign. The Directors will appoint a Company Secretary.

### **4. Annual General Meeting**

An Annual General Meeting shall be held within six months of the end of each calendar year, at which the Directors' Report and the accounts of the Company shall be presented and considered. The Chairman for the Meeting shall be appointed by the Board of Directors. The Directors' Report, the accounts and the agenda for the Meeting shall be sent to all Shareholders by email at least twenty-one days before the date of the Meeting.

### **5. Shareholding Members**

A Shareholder must be aged at least 18 years. All Shareholders shall have one vote in matters concerning the Company, with the Chairman having a casting vote if needed. Shareholders shall have equal rights to use the aircraft owned or operated by the Company subject to the operational regulations laid out in the AFTL Pilot's Flying Order's document, currently in force. Under CAA and DCA Rules, no Shareholder may own less than 5% of the issued share capital of the Company and we are therefore limited to a maximum of twenty Shareholders. A minimum shareholding is therefore 4,000 £1 Ordinary shares. A shareholding cannot be split or sub-divided in any way. *(amended June 2021, from 3,000 to 4,000 minimum shareholding)*

### **6. Shareholder Subscriptions**

All Shareholder's are expected to pay a monthly subscription which goes towards the fixed annual costs of aircraft ownership and is necessary to protect the asset. The amount involved will be notified by the Directors annually at the Annual General Meeting, but currently it is £70 per month per Shareholder. *(amount amended from £50 to £70 in January 2021)*

### **7. Shareholder's permitted to fly**

Any Shareholder with a current Pilot's Licence and valid Medical Certificate as defined in the AFTL Pilot's Flying Order's document is permitted to fly the Company's aircraft. A pilot Shareholder may fly a non-pilot Shareholder and/or members of the non-pilot Shareholder's family or friends at the request of the non-pilot Shareholder. Directors may at their discretion approve a non-Shareholder pilot to fly the aircraft for specific purposes, defined as, (a) to fly AFTL Shareholder's or their immediate family, or (b) to position the aircraft for maintenance, or (c) where a CAA instructor or CAA examiner provides continuation training or licence revalidation to our pilot Shareholders.

### **8. Value of a shareholding**

A Shareholder may sell his/her share to a prospective Shareholder in accordance with Rule 9, for whatever sum is agreed between them, however, the price must be disclosed to the Board. The fair or realistic value of the shareholding will fluctuate depending on the market value of the aircraft, its overall condition, forthcoming maintenance requirements, engine hours remaining, the level of interest in acquiring shares (ie. market forces), and the level of any other assets or liabilities the company may have at the time. The Directors can give you an estimated guide price if needed, but will provide an annual estimate at the Annual General Meeting.

### **9. Sale of a shareholding**

Any Shareholder wishing to sell his/her shareholding shall give notice of his/her intention to the Director's in writing (email is acceptable). The Shareholder has the primary responsibility for finding a

replacement Shareholder, however the Director's will do whatever they can to assist. The Directors shall give a prospective Shareholder a copy of the current Shareholder Agreement. The Board will normally approve the potential Shareholder and shall not act unreasonably in considering the proposed Shareholder. The financial transaction must take place through the accounts of the Company in order to validate the transfer of the share. The purchaser shall pay the agreed purchase price (payable to Alderney Flying Training Ltd) to the Company. Director's shall then pay this sum, less any monies owed to the Company, to the resigning Shareholder in exchange for his/her Share Certificate. The Company Secretary will then issue a new share certificate to the new Shareholder.

In the unlikely event of a Shareholder being expelled in terms of point 11 of the agreement, the Directors will assist in finding a prospective Shareholder to purchase the shareholding and will deduct from the purchase price all outstanding liabilities of the expelled Shareholder to AFTL.

### **10. Share Certificate**

Each Shareholder shall receive a Share Certificate on which is recorded the level of shareholding in the Company. This can be sent by electronic means.

### **11. Expulsion and Suspension**

The Board may suspend a Shareholder's right to act as Pilot-In-Command, co-pilot or passenger, if it considers that the Shareholder's conduct has been, or is likely to be, detrimental to the interests of the Company, illegal in any way, or in contravention of the AFTL Pilot's Flying Order's document. The period of suspension and the reasons for the suspension will be given in writing to the Shareholder within one week. A Shareholder so suspended shall have the right of appeal to the Board. The Directors will consider the appeal as soon as possible, but in any case, within two weeks. An appeal will be decided by a vote of the Directors. Whilst suspended, the Shareholder shall continue to pay any subscription due. In the exceptional event that in the opinion of the Board a Shareholder should be expelled from the Company, the Board of Director's shall write to all Shareholders giving the Board's reasons and shall convene a Meeting in accordance with Rule 17(g). The expelled Shareholder does not forfeit his/her right to sell the share in accordance with Rule 9.

### **12. Liability**

The operation of the Company aircraft shall be at the risk of the Shareholder acting as Pilot-In-Command. Each Shareholder undertakes that he/she will not knowingly do or cause to be done any act that would invalidate the Company's insurance policies, and will make no claim or proceedings against the Company or any Shareholder for any act or omission or defect in respect of the condition of a Company aircraft or its equipment.

### **13. Insurance**

The Company shall maintain insurance policies for its aircraft and operations deemed adequate by the Board. In the event of an insurance claim or damages, the payment of any current excess is the responsibility of the Shareholder in charge of the aircraft at that time. Any Shareholder who is identified by the Company's insurers as a special risk may be required to bear any additional premium resulting from use of the aircraft by that Shareholder.

### **14. Accounts and Subscriptions**

- a) Shareholders shall pay the monthly subscription due on the first day of each month by banker's order or by other quarterly/annual arrangements acceptable to the Board.
- i) The Board reserves the right to levy an overdue subscription fine of 10% of the overdue subscription if a Shareholder fails to pay within 30 days of the due date.
- ii) A defaulting Shareholder may be suspended from using the aircraft until such time as he or she shall have paid all outstanding subscriptions and fines.
- b) The subscription shall be based on a contribution towards the predicted expenditure on the Annual Maintenance Check, hangarage, insurance, Company costs and such fees as may be necessary, but shall in any event represent the most economical costing.
- c) Flying charges will be reviewed periodically by the Board. The charges will be based on predicted costs incurred through the flying activities and charged on an hourly basis.
- i) Payment for flying is to be made within 15 days of the date of the invoice by bank transfer on-line, or by such other method as is agreed with the Directors.
- ii) If payment is not made within 30 days of the date of the invoice the Board reserves the right to levy an overdue payment fine of 10% of the overdue payment.

- iii) If payment is not made within 45 days of the date of the invoice the Board reserves the right to suspend the Shareholder.
- d) A reserve is to be accumulated for engine replacement. The Board shall determine the reserve.
- e) Properly kept books of account are available for inspection by Shareholders on the giving of reasonable notice to the Directors.
- i) The accounts for this company are unaudited but will be checked at the end of each calendar year by another Shareholder in conjunction with the Director responsible for finance.

#### **15. Levies**

In an emergency, a cash levy not exceeding 10% of a shareholding may be raised equally on all Shareholders. If payment is not received within one month of the date of the levy the Board reserves the right to suspend the Shareholder.

#### **16. Disbandment**

In the event of the Company being wound up all assets shall be realised and all monies divided between Shareholders, after payment of all outstanding debts and loans.

#### **17. Quorums and Majority Decisions**

- a) Alterations to the Shareholder Agreement shall only be considered by the Board at the request of five or more Shareholders. If approved, the proposed alterations will be sent to all Shareholders. Any objection to the alterations must be sent to the Directors within 14 days of the alterations being sent. If no objection is received within fourteen days the alterations will be adopted and the Directors will advise all Shareholders of this. If an objection is received, the Directors shall convene an Extraordinary General Meeting and a majority of at least two-thirds of all Shareholders is then required. Voting by proxy is permitted and proxy-voting forms shall be included with the notice of the meeting. If, due to absence, a two-thirds majority cannot immediately be obtained, absent Shareholders will be contacted by the Company Secretary and/or the Chairman who will present to the Shareholders the views of the Meeting and will determine their votes, which will then be added to the votes of the Shareholders attending the Meeting, whereupon the proposed change of Shareholder Information will be ratified or rejected.
- b) Expulsions, in accordance with Rule 11, may only be effected by a majority of at least two-thirds of all other Shareholders in Extraordinary General Meeting, using the procedure in Rule 17(a), and after all Shareholders have been notified of the proposed expulsion.
- c) A decision to raise a cash levy under Rule 15 may only be made by a majority of at least two-thirds of all Shareholders in Extraordinary General Meeting, using the procedure as in Rule 17(a), and after all Shareholders have been notified of the proposed levy.
- d) A decision to wind up the Company may only be made by a majority of at least two-thirds of all Shareholders in Extraordinary General Meeting, using the procedure as in Rule 17(a), and after all Shareholders have been notified of the winding up.
- e) All other major policy decisions shall be made by Shareholders at a Meeting by a simple majority of Shareholders present. If due to absence, a quorum is not present, the meeting shall be reconvened for another date.
- f) Minor policy decisions shall be made by a simple majority of Directors.
- g) A Meeting is defined as one for which notice has been given to all Shareholders not less than fourteen days prior to the date of the Meeting and for which a reasonable venue is available at a reasonable time.
- h) Five or more Shareholders may request a Meeting to be specially convened.
- i) A Quorum at an Annual General Meeting shall be eight Shareholders and at other Meetings it shall be six Shareholders.

#### **18. Compliance with Regulations**

All Shareholders of the Company must comply with Local and National Laws and Regulations, as well as the AFTL Pilot's Flying Orders, Civil Aviation Authority and Guernsey Aviation Regulations issued by the Director of Civil Aviation.

All previous Shareholder Rules / Shareholder Information / Shareholder Agreements of the Company are hereby revoked and a copy of this document is to be attached to the Minute Book.

#### **19. Data Protection.**

The Company keeps the minimum necessary personal information on Shareholder's to comply with statutory company requirements and details of any pilot's licenses and ratings held with medical expiry dates. In becoming a Shareholder it is taken as your acceptance of the Company holding this data.

**Alderney Flying Training Limited.**

**This Shareholder Agreement is accepted by all parties involved, the Shareholder and the Directors on behalf of Alderney Flying Training Limited.**

*Signed by a Director \_\_\_\_\_ on behalf of AFTL*  
*Print name \_\_\_\_\_*

*Signed by the Shareholder \_\_\_\_\_*  
*Print name \_\_\_\_\_*

*Agreement dated the \_\_\_\_\_*

*Alderney Flying Training Limited.*  
*PO Box 1133, Alderney Airport*  
*Alderney GY9 3ER*

*Shareholder Agreement, date of issue: 22nd April 2019*  
*Revision 1 – minor text correction, item 10, dated 30<sup>th</sup> June 2019*  
*Revision 2 – amendments to items 5 & 6, dated 30<sup>th</sup> June 2021*