

WRITTEN RESOLUTION

PRIVATE COMPANY LIMITED BY SHARES

PRINT OF WRITTEN RESOLUTIONS

OF

Redgum Limited (company number 09341385) (Company)

PASSED ON 28 December 2015

The following resolutions were passed as special resolutions pursuant to Chapter 2 of Part 13 of the Companies Act 2006

SPECIAL RESOLUTIONS

- 1 THAT, subject to the passing of resolution 1 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 1, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,700,000 and shall expire on the date that is five years from the circulation date (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired
- 2 THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

SIGNED.....


Robert Scott, Director

SATURDAY



A15 *A4Y7WLXE* 09/01/2016 #289
COMPANIES HOUSE

Company Number: 09341385

The Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES
OF ASSOCIATION
OF REDGUM LIMITED

Incorporated on 4th December 2014

SATURDAY



A4Y7WLZE

A15

09/01/2016

#298

COMPANIES HOUSE

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF REDGUM LIMITED

1. PRELIMINARY

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model articles) Regulations 2008 (SI 2008 No. 3229) (the "Model articles") shall apply to the Company save in so far as they are excluded or modified hereby and such Model articles and the articles set out below shall be the articles of Association of the Company (the "articles")
- 1.2 In these articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3 Model articles 7(2), 9(2), 14, 19(5), 21, 24, 26(5), 28(3), 36(4) and 44(4) do not apply to the Company.
- 1.4 The headings used in these articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these articles
- 1.5 In these articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa, references to one gender include all genders and references to persons include bodies corporate and unincorporated associations.

2. DEFINED TERMS

Model article 1 shall be varied by the inclusion of the following definitions:-

A Shareholder

A person holding A Shares in the company from time to time;

A Shares

A ordinary shares of £1.00 each, having the rights and restrictions attaching to them as set out in these articles;

B Shares

B ordinary shares of £1.00 each, having the rights and restrictions attaching to them as set out in these articles;

B Shareholder

A person holding B Shares in the company from time to time;

Bankruptcy Event:

an order being made for the bankruptcy of a Shareholder, or an arrangement or composition being with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

Board:

the board of directors, from time to time;

C Shareholder

A person holding C Shares in the Company from time to time;

C Shares

C ordinary shares of £1 00 each, having the rights and restrictions attaching to them as set out in these articles;

Civil Partner:

in relation to a Shareholder, a civil partner as defined in the Civil Partnership Act 2004;

Deemed Transfer Notice:

a Transfer Notice that is deemed to have been served under article 25.1,

Fair Value:

in relation to a Share, as determined in accordance with article 29.2;

Original Shareholder:

each Shareholder, excluding any Shareholder who, for the time being, only holds Shares as a result of a Permitted Transfer;

Permitted Transfer:

a transfer of Shares made in accordance with article 27;

Permitted Transferee:

in relation to an Original Shareholder, any of his Privileged Relations as a remaining shareholder,

Pre-Emption Order:

the sale shares being the subject of a Transfer Notice shall be offered to the shareholders: first, to the A Shareholders (**First Offerees**) in proportion to their holdings of A Shares; and to the extent there are shares not applied for, to the remaining shareholders (**Second Offerees**) in proportion to their holdings of shares in the remaining classes (excluding the A Shares); and the procedure set out in articles 27.7 - 27.8 shall apply in respect of the offer to the First Offerees and shall apply again in respect of an offer to the Second Offerees;

Privileged Relation:

the spouse or Civil Partner of an Original Shareholder and the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren).

Senior Shareholder:

a shareholder of a particular class, holding shares of that class for the longest period of time, or in the event that shares were allotted at the same time, the shareholder who appears first in the register of members;

Transfer Price:

the price per Sale Share determined in accordance with article 27.6;

Valuers

an independent firm of accountants or Valuers jointly appointed by the Seller and the Board or, in the absence of agreement between the Seller and the Board on the identity of the expert within 10 working days, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator), and

working day

means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered

3. PROCEEDINGS OF DIRECTORS

- 3.1 The maximum and minimum number of directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the minimum number of directors is one, the general rule about decision-making by the directors does not apply, and the sole director may take decisions without regard to any of the provisions of the articles (including Model article 11(2)) relating to directors' decision-making.
- 3.2 Subject to article 3.3, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 3.3 If the directors propose to exercise their power under section 175(4)(b) of the Companies Act 2006 to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 3.4 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:-
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
- (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

4. UNANIMOUS DECISIONS

Model article 8(2) shall be amended by the deletion of the words “copies of which have been signed by each eligible director” and the substitution of the following “where each eligible director has signed one or more copies of it” in its place. Model article 8(2) shall be read accordingly.

5. RIGHTS TO APPOINT A DIRECTOR

An A Shareholder shall have the right to appoint one director to the board, for as long as he holds A Shares in the Company

6. CHAIRMAN

- 6.1 The chairman shall be appointed by unanimous consent of the A Shareholders. In the event of conflict over the appointment, the Senior A Shareholder shall have the casting vote.
- 6.2 In the event that decisions of the Board are tied, the Chairman shall have the casting vote.

7. SECRETARY

The directors may appoint a secretary to the Company for such period, for such remuneration and upon such conditions as they think fit, and any secretary so appointed by the directors may be removed by them.

8. ALTERNATE DIRECTORS

8.1

- (a) Any director (the “appointor”) may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:-
 - (i) exercise that director’s powers; and
 - (ii) carry out that director’s responsibilitiesin relation to the taking of decisions by the directors in the absence of the alternate’s appointor.

- (b) Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must:-

- (i) identify the proposed alternate; and
- (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor

8.2

- (a) An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model article 8 and Model article 7, as the alternate's appointor.
- (b) Except as these articles specify otherwise, alternate directors:-
 - (i) are deemed for all purposes to be directors;
 - (ii) are liable for their own acts or omissions;
 - (iii) are subject to the same restrictions as their appointors; and
 - (iv) are not deemed to be agents of or for their appointors.
- (c) A person who is an alternate director but not a director -
 - (i) 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
 - (ii) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model article 8 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution)

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

- (d) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company
- (e) Model article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".

8.3 An alternate director's appointment as an alternate terminates:-

- (a) when his 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 of any event which, if it occurred in relation to the alternate's appointor would result in the termination of the appointor's office as director;

- (c) on the death of his appointor; or
- (d) when his appointor's appointment as a director terminates.

9. SHARE CAPITAL

- 9.1 Shares may be issued as nil, partly or fully paid.
- 9.2 Model article 22, in paragraph (1) there shall be substituted for the words following 'such rights or restrictions' the words 'as may be determined by ordinary resolution or attach such rights or restrictions to existing shares'.
- 9.3 The share capital of the Company at the date of adoption of these articles comprises A Shares, B Shares and C Shares. References in these articles to share or shares shall, unless specified to the contrary, be read and construed as a reference to a share or shares of any class and of all classes.
- 9.4 Except as otherwise provided in these Articles, the A Shares, B Shares and C Shares shall constitute separate classes of shares but shall rank *pari passu* in all respects save that:
 - (a) the A Shares shall not carry any right to participate in a dividend; and
 - (b) the B Shares and C Shares shall not entitle their holder to vote on any matter

10. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

- 10.1 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the said Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the said Act) made by the company.
- 10.2 If the company proposes to allot any equity securities in any class, those equity securities shall not be allotted to any person unless the company has first obtained the prior written consent of the A Shareholders, who will have absolute discretion to approve or refuse such allotment.
- 11.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or is one of two or more joint holders, for all moneys payable by him or his estate to the Company (whether or not such moneys are presently due and payable).
- 11.2 The Company's lien over shares:-
 - (a) takes priority over any third party's interest in such shares; and
 - (b) extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.
- 11.3 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
 - (a) Subject to the provisions of this article, if:-

- (i) a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of the shares, and
- (ii) the person to whom the lien enforcement notice was sent has failed to comply with it

the Company may sell those shares in such manner as the directors decide.

(b) A lien enforcement notice:-

- (i) may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed;
- (ii) must specify the shares concerned;
- (iii) must include a demand for payment of the sum payable within 10 working days;
- (iv) must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise; and
- (v) must state the Company's intention to sell the shares if the notice is not complied with.

(c) If shares are sold under this article:-

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

(d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied -

- (i) 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
- (ii) second, in payment to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

(e) A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date:-

- (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

- (ii) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share

12. CALLS ON SHARES AND FORFEITURE

12.1

- (a) Subject to these articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice
- (b) A call notice -
 - (i) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
 - (ii) must state when and how any call to which it relates is to be paid; and
 - (iii) may permit or require the call to be paid by instalments
- (c) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 10 working days have passed since the call notice was sent.
- (d) Before the Company has received any call due under a call notice the directors may -
 - (i) revoke it wholly or in part; or
 - (ii) specify a later time for payment than is specified in the call noticeby a further notice in writing to the member in respect of whose shares the call was made.

12.2

- (a) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which the call is required to be paid.
- (b) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- (c) Subject to the terms on which shares are allotted, the directors may, when issuing shares, make arrangements for a difference between the holders in the amounts and times of payment of calls on their shares.

12.3

- (a) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is allotted, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):-
 - (i) on allotment;
 - (ii) on the occurrence of a particular event, or
 - (iii) on a date fixed by or in accordance with the terms of issue.
- (b) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

12 4

- (a) If a person is liable to pay a call and fails to do so by the call payment date:-
 - (i) the directors may send a notice of forfeiture (a "forfeiture notice") to that person, and
 - (ii) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- (b) For the purposes of this article:-
 - (i) the "call payment date" is the date on which 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
 - (ii) the "relevant rate" is the rate fixed by the terms on which the share in respect of which the call is due was allotted or, if no such rate was fixed when the share was allotted, five percent per annum.
- (c) The relevant rate must 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
- (d) The directors may waive any obligation to pay interest on a call wholly or in part.

12 5

A forfeiture notice:-

- (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) must 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) must require payment of a call and any accrued interest by a date which is not less than 10 working days after the date of the forfeiture notice;
- (d) must state how the payment is to be made, and

- (e) must state that if the forfeiture notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

12.6 If a forfeiture notice is not complied with before the date by which payment of the call is required in the forfeiture notice, 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.

12.7

- (a) Subject to the following provisions of this article 12 7, the forfeiture of a share extinguishes -
 - (i) all interests in that share, and all claims and demands against the Company in respect of it; and
 - (ii) all other rights and liabilities incidental to the share as between the person in whose name the share is registered and the Company.
- (b) Any share which is forfeited:-
 - (i) is deemed to have been forfeited when the directors decide that it is forfeited;
 - (ii) is deemed to be the property of the Company; and
 - (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- (c) If a person's shares have been forfeited -
 - (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
 - (ii) that person ceases to be a member in respect of those shares;
 - (iii) that person must surrender the certificate for the shares forfeited to the Company for cancellation,
 - (iv) that person remains liable to the Company for all sums due and payable by that person at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
 - (v) the directors may 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.
- (d) At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on such terms as they think fit.

12.8

- (a) If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

- (b) A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been forfeited on a specified date:-
 - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (ii) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share.
- (c) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- (d) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:-
 - (i) was, or would have become, payable; and
 - (ii) had not, when that share was forfeited, been paid by that person in respect of that share

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

12.9

- (a) A member may surrender any share:-
 - (i) in respect of which the directors may issue a forfeiture notice,
 - (ii) which the directors may forfeit; or
 - (iii) which has been forfeited.
- (b) The directors may accept the surrender of any such share.
- (c) The effect of surrender on a share is the same as the effect of forfeiture on that share.
- (d) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

13. SHARE CERTIFICATES

13.1

- (a) The Company must issue each member with one or more certificates in respect of the shares which that member holds.
- (b) Except as is otherwise provided in these articles, all certificates must be issued free of charge.

- (c) No certificate may be issued in respect of shares of more than one class.
- (d) A member may request the Company, in writing, to replace:-
 - (i) the member's separate certificates with a consolidated certificate; or
 - (ii) the member's consolidated certificate with two or more separate certificates.
- (e) When the Company complies with a request made by a member under (d) above, it may charge a reasonable fee as the directors decide for doing so.

13.2

- (a) Every certificate must specify:-
 - (i) in respect of how many shares, of what class, it is issued;
 - (ii) the nominal value of those shares;
 - (iii) whether the shares are nil, partly or fully paid; and
 - (iv) any distinguishing numbers assigned to them
- (b) Certificates must:-
 - (i) have affixed to them the Company's common seal; or
 - (ii) be otherwise executed in accordance with the Companies Acts.

14. CONSOLIDATION OF SHARES

14.1

- (a) This article applies in circumstances where:-
 - (i) there has been a consolidation of shares; and
 - (ii) as a result, members are entitled to fractions of shares
- (b) The directors may:-
 - (i) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and
 - (ii) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.
- (c) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland
- (d) A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

- (e) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

15. DIVIDENDS

15.1

- (a) Except as otherwise provided by these articles or the rights attached to the shares, all dividends must be:-
 - (i) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
 - (ii) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (b) If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.
- (c) For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

16. CAPITALISATION OF PROFITS

16.1 A capitalised sum which was appropriated from profits available for distribution may be applied:-

- (a) in or towards paying up any amounts unpaid on any existing nil or partly paid shares held by the persons entitled; or
- (b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

16.2 Model article 36(5)(a) is modified by the deletion of the words "paragraphs (3) and (4)" and their replacement with "Model article 36(3) and article 16 1"

17. WRITTEN RESOLUTIONS OF MEMBERS

17.1

- (a) Subject to article (b), a written resolution of members passed in accordance with Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the Company.
- (b) The following may not be passed as a written resolution and may only be passed at a general meeting:-
 - (i) a resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his period of office; and

- (ii) a resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his period of office.

17.2

- (a) Subject to article 17.2(b) on a written resolution, a member has one vote in respect of each share held by him.
- (b) No member may vote on a written resolution unless all moneys currently due and payable in respect of any shares held by him have been paid

18. NOTICE OF GENERAL MEETINGS

18.1

- (a) Every notice convening a general meeting of the Company must comply with the provisions of:-
 - (i) section 311 of the Companies Act 2006 as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and
 - (ii) section 325(1) of the Companies Act 2006 as to the giving of information to members regarding their right to appoint proxies.
- (b) Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company.

19. QUORUM AT GENERAL MEETINGS

19.1

- (a) If and for so long as the Company has one member only who is entitled to vote on the business to be transacted at a general meeting, that member present at the meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.
- (b) If and for so long as the Company has two or more members entitled to vote on the business to be transacted at a general meeting, two of such members, each of whom is present at the meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.
- (c) Model article 41(1) is modified by the addition of a second sentence as follows:-

“If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved.”.

20. VOTING AT GENERAL MEETINGS

20.1

- (a) Subject to article 20.2 and article 17.2, on a vote on a resolution at a general meeting on a show of hands:-
- (i) each member who, being an individual, is present in person has one vote,
 - (ii) if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote, and
 - (iii) if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Companies Act 2006, one vote.
- (b) On a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.

20.2 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of shares held by that member unless all moneys currently due and payable by that member in respect of any shares held by that member have been paid.

20.3

- (a) Model article 44(2) is amended by the deletion of the word "or" in Model article 44(2)(c), the deletion of the "." after the word "resolution" in Model article 44(2)(d) and its replacement with "; or" and the insertion of a new Model article 44(2)(e) in the following terms:-
- "by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right".
- (b) A demand for a poll made by a person as proxy for a member is the same as a demand made by the member.

20.4 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

21. DELIVERY OF PROXY NOTICES

21.1 Model article 45(1) is modified, such that a "proxy notice" (as defined in Model article 45(1)) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote, and any proxy notice received at such address less

than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

22. COMMUNICATIONS

22 1 Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the Company to a person by being made available on a website.

22 2

- (a) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company.
- (b) If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.

22 3

- (a) If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting.
- (b) If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.
- (c) If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.
- (d) For the purposes of this article 22.3, no account shall be taken of any part of a day that is not a working day.

23. COMPANY SEALS

23 1 Model article 49(1) is modified, such that any common seal of the Company may be used by the authority of the directors or any committee of directors.

23 2 Model article 49(3) is modified by the deletion of all words which follow the “,” after the word “document” and their replacement with “the document must also be signed by:-

- (a) one authorised person in the presence of a witness who attests the signature; or

- (b) two authorised persons”.

24. TRANSMISSION OF SHARES

- 24.1 Model article 27 is modified by the addition of new Model article 27(4) in the following terms:-

“Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member”.

- 24.2 All the articles relating to the transfer of shares apply to -

- (a) any notice in writing given to the Company by a transmittee in accordance with Model article 28(1); and
- (b) any instrument of transfer executed by a transmittee in accordance with Model article 28(2)

as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

- 24.3 The definition of transmittee in the Model articles shall be amended to read “transmittee” means a person entitled to a share by reason of bankruptcy of a shareholder or otherwise by operation of law; and’.

25. COMPULSORY TRANSFERS

- 25.1 A Shareholder is deemed to have served a Transfer Notice under article 27.3 immediately before any of the following events:

- (a) subject to article ~~25.328-4~~ and article 25.4 (if relevant) the Shareholder’s death;
- (b) subject to article 28.4, an order being made for the Shareholder’s bankruptcy, or an arrangement or composition being made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or
- (c) the Shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or his shareholding.

- 25.2 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 27 shall apply, except that:

- (a) the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);
- (b) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares;

- (c) the Transfer Price shall be the Fair Value of those Shares, and
 - (d) the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation.
- 25.3 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without the prior written consent of the A Shareholders.
- 25.4 If a Privileged Relation is entitled under a Will or the rules of intestacy of a deceased shareholder, to that shareholder's share in the Company (**Deceased Shareholder's Shares**) then the Deceased Shareholder's Shares shall automatically transfer and vest in the Privileged Relation and the personal representatives of the Deceased Shareholder shall deliver to the Company a transfer in respect of the Deceased Shareholder's Shares. The directors shall not refuse a transfer carried out in compliance with this article.
- 26.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority
- (a) first, in paying to the holders of the A Shares in respect of each A Share held the Issue Price of that A Share; and
 - (b) second, in paying to the holders of the B Shares and the holders of the C Shares in respect of each B Share or C Share held the Issue Price of that B Share or C Share, together with a sum equal to any arrears and accruals of dividend in respect of that B Share or C Share (as the case may be) and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the B Shares and the holders of the C Shares pro rata to the aggregate amounts due under this *article 26.1(b)* to each such B Share or C Share held; and
 - (c) thereafter, in distributing the balance among the holders of the B Shares and the C Shares pro rata to the number of B Shares or C Shares held, as if they all constituted shares of the same class.

27. TRANSFER OF SHARES

- 27.1 No Shareholder shall create any encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any Share or any interest in any Share, except as permitted or required by this agreement and the articles, or with the prior written consent of the A Shareholders.
- 27.2 The Board shall register any duly stamped transfer made in accordance with this agreement and the articles, unless it suspects that the proposed transfer may be fraudulent.
- 27.3 Except where the provisions of article 27 (Permitted Transfers) or article 25 (Compulsory transfers) apply, a Shareholder wishing to transfer any Shares may only do so with the consent of the A Shareholders. Unless the A Shareholders (acting in their absolute

discretion) direct otherwise then a Shareholder (**Seller**) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including.

- (a) the number of Shares he wishes to transfer (**Sale Shares**);
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price per Sale Share (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**), and
- (d) a statement to the effect that the consent of the A Shareholders has been granted.

27.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these articles.

27.5 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

27.6 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in this agreement, be the price per Sale Share (in cash) agreed between the Seller and the Board in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 29

27.7 As soon as practicable following the determination of the Transfer Price, the Board shall (unless the Transfer Notice is withdrawn in accordance with article 27.5) offer the Sale Shares for sale to the other Shareholders in compliance with the Pre-Emption Order, (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

27.8 If:

- (a) at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- (b) not all Sale Shares are allocated following allocations in accordance with article 27.8(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 27.8(a). The procedure set out in this article 27.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
 - (c) at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may with the written consent of the A Shareholders (who shall have absolute discretion) be transferred to the buyer identified in the Transfer Notice (if any).
- 27.9 The Board shall, when no further offers or allocations are required to be made under article 27.8, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).
- 27.10 On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof).
- 27.11 Any transfer of Shares by way of a sale these articles shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.
- 27.12 If the Seller fails to comply with article 27.10:
 - (a) any other director of the Company on behalf of the Seller.
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
 - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

- 27.13 If any Applicant fails to pay the Transfer Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to 3% per annum above the base rate of Barclays Bank plc from time to time.
- 28.1 Subject to article 28.2, an Original Shareholder may transfer any number of Shares to any of his Permitted Transferees without restriction as to price or otherwise.
- 28.2 A Shareholder holding Shares as a result of:
- (a) a transfer by an Original Shareholder, or
 - (b) a transfer by a Permitted Transferee of an Original Shareholder in accordance with articles 28.3 to article 28.4 (inclusive)
- may, transfer any or all such Shares back to that Original Shareholder (or to one or more other Permitted Transferees of that Original Shareholder) without restriction as to price or otherwise.
- 28.3 If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him pursuant to a Permitted Transfer in favour of that Original Shareholder or in the event that the Original Shareholder has died, a Privileged Relation of the Original Shareholder for such consideration as may be agreed between them, failing which he shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with article 27. The provisions of article 25.2 shall apply to such a deemed Transfer Notice.
- 28.4 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Shareholder, on the occurrence of:
- (a) the Privileged Relation's death,
 - (b) the Privileged Relation suffering a Bankruptcy Event; or
 - (c) the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding
- that Privileged Relation, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall, within 10 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Shareholder he, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with article 27. The provisions of article 25.2 shall apply to such a deemed Transfer Notice.

29. VALUATION OF SHARES

- 29.1 The Valuers shall be requested to determine the fair value within 30 working days of their appointment and to notify the Company and the Seller in writing of their determination
- 29.2 The fair value for any Sale Shares shall be the price per Share determined in writing by the Valuers on the following bases and assumptions:
- (a) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (b) the sale is to be at arms' length terms between a willing seller and a willing buyer;
 - (c) the Sale Shares are sold free of Encumbrances, and
 - (d) the sale is taking place on the date the Valuers were requested to determine the fair value.
- 29.3 The Valuers shall act as experts and not as arbitrators and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 29.4 The cost of obtaining the Valuer's valuation shall be borne by the Company and the Seller unless the Seller withdraws the Transfer Notice in which case the Seller shall bear the cost

30. DRAG ALONG

- 30.1 If all A Shareholders (**Seller**) wishes to transfer all of their A Shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Seller may require B Shareholders and C Shareholders (**Called Shareholders**) to sell and transfer all of its shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 30.2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the A Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 30;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the A Shares, and
 - (d) the proposed date of the transfer.
- 30.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold the A Shares to the Proposed Buyer within 90 working days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 30.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 30.
- 30.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the A Shares unless:
- (a) the Seller and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - (b) that date is less than 10 working days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30 working days after service of the Drag Along Notice.
- 30.6 The proposed sale of the A Shares by the Seller to the Proposed Buyer is subject to the rights of pre-emption set out in article 27 , but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 30.7 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due to the Called Shareholders to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest
- 30.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 30 in respect of its shares.
- 30.9 If a Called Shareholder does not, on or before the Completion Date, execute and deliver transfer(s) in accordance with article 30.7, in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 30.9

31. DEADLOCK

- 31.1 There is a deadlock if a resolution is proposed at a properly convened meeting of Shareholders and there are equal votes of A Shareholders voting for and against the resolution, or all A Shareholders abstain from voting on the resolution.
- 31.2 There is no deadlock if a meeting, or adjourned meeting, is inquorate because the person Either party may within 28 days of the meeting at which the deadlock arises serve notice on the other party (**Deadlock Notice**):
- (a) stating that, in its opinion, a deadlock has occurred; and
 - (b) identifying the matter giving rise to the deadlock.
- 31.3 The parties undertake that they shall on the date of service of the Deadlock Notice use all reasonable endeavours in good faith to resolve the dispute
- 31.4 If a deadlock occurs before the first anniversary of this agreement and cannot be resolved in accordance with this article 31 within 14 days from the date the deadlock (**Resolution Date**) matter is referred to an accountant or solicitor (**Professional Adviser**) jointly appointed by the A Shareholders. In the event that the A Shareholders cannot agree the appointment of the Professional Adviser by the Resolution Date any director who is not also an A Shareholder may appoint a Professional Adviser of his choosing. In all other cases, the directors shall serve notice on the remaining shareholders informing them of the deadlock matter and inviting them to appoint a Professional Adviser of their choosing. The Professional Adviser shall act as expert and not arbitrator. Save in the case of manifest error, the decision of the Professional Adviser shall be binding on the A Shareholders.