

Company number 07329095

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

EPAYROLL SERVICES LIMITED ('Company')

14 December 2010



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the director of the Company proposes that Resolution 1 below is passed as a special resolution and that Resolution 2 below is passed as both a special resolution and an ordinary resolution

RESOLUTIONS

1. THAT the draft regulations produced to the meeting and, for the purposes of identification, initialled by the Chairperson be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association
2. THAT in accordance with section 551 of the 2006 Act, the Directors be generally and unconditionally authorised to allot Ordinary Shares in the Company up to an aggregate nominal amount of £59 and Preferred Shares in the Company up to an aggregate nominal amount of £39 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 28 December 2010

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned, persons entitled to vote on the above resolutions on 14 December 2010, hereby irrevocably agree to the resolutions

Signed by Andrew Johnston

Date


14 December 2010

NOTES

If you agree to the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

By Hand delivering the signed copy to Ian Hodgkinson, Mace & Jones, Drury House, 19 Water Street, Liverpool L2 0RP

Post returning the signed copy by post to Ian Hodgkinson, Mace & Jones, Drury House, 19 Water Street, Liverpool L2 0RP

Fax faxing the signed copy to 0151 243 3349 marked "For the attention of Ian Hodgkinson"

E-mail by attaching a scanned copy of the signed document to an e-mail and sending it to ian.hodgkinson@maceandjones.co.uk Please enter "Written resolutions dated 14 December 2010" in the e-mail subject box

If you do not agree to the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement

3 Unless, by 28 December 2010 sufficient agreement has been received for the resolutions to pass, they will lapse If you agree to the resolutions, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

**ARTICLES OF ASSOCIATION
RELATING TO EPAYROLL SERVICES LIMITED**



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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

EPAYROLL SERVICES LIMITED

Adopted by special resolution passed on

Introduction

1. Interpretation

1 1 In these Articles, unless the context otherwise requires

Act:	means the Companies Act 2006,
Adoption Date	means the date of adoption of these Articles,
appointor:	has the meaning given in article 12 1,
Articles:	means the company's articles of association for the time being in force,
Available Profits	means profits available for distribution within the meaning of part 23 of the Act,
business day:	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,
Conflict:	has the meaning given in article 8 1,
Disposal	means the disposal by the Company of all, or a

substantial part of, its business and assets,

eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),

Equity Shares means the Preferred Shares and the Ordinary Shares,

Exit means a Share Sale or a Disposal,

Financial Year means an accounting reference period (as defined in section 391 of the Act) of the Company,

Issue Price means in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium,

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

Ordinary Shares means the ordinary shares of £1 00 each in the capital of the Company,

Preferred Shares means the preferred ordinary shares of £1 00 each in the capital of the Company,

Share Sale means the sale of all of the issued shares in the capital of the Company

1 2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 3 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise

- 1 4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 4 1 any subordinate legislation from time to time made under it, and
- 1 4 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 6 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

Model Articles

2. Adoption of and Amendments to the Model Articles

- 2 1 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 2 2 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 2 3 Article 7 of the Model Articles shall be amended by
- 2 3 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and
- 2 3 2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 2 4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) " before the words "properly incur"

- 2 5 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 6 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 11," after the word "But"
- 2 7 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 2 8 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

Directors

3. Unanimous Decisions

- 3 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 3 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing
- 3 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

4. Calling a Directors' Meeting

Any director may call a directors' meeting by giving not less than 2 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice

5. Quorum for Directors' Meetings

- 5 1 Subject to article 7 of the Model Articles and article 5 2 (below), the quorum for the transaction of business at a meeting of directors is any two eligible directors

5 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

5 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision

5 3 1 to appoint further directors, or

5 3 2 to call a general meeting so as to enable the shareholders to appoint further directors

6 Casting Vote

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

7. Transactions or other Arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

7 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,

7 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,

7 1 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,

7 1 4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

7 1 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and

7 1 6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

8. Directors' Conflicts of Interest

8 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

8 2 Any authorisation under this article 8 will be effective only if

8 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,

8 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

8 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

8 3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently)

8 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

- 8 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- 8 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- 8 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- 8 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence, and
- 8 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 8 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 8 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 8 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

9. Records of Decisions to be Kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

10. Number of Directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one

11. Appointment of Directors

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

12. Appointment and Removal of Alternate Directors

12 1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

12 1 1 exercise that director's powers, and

12 1 2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

12 2 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

12 3 The notice must

12 3 1 identify the proposed alternate, and

12 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

13. Rights and Responsibilities of Alternate Directors

13 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

13 2 Except as the Articles specify otherwise, alternate directors

13 2 1 are deemed for all purposes to be directors,

13 2 2 are liable for their own acts and omissions,

13 2 3 are subject to the same restrictions as their appointors, and

13 2 4 are not deemed to be agents of or for their appointors

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

13 3 A person who is an alternate director but not a director

13 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),

13 3 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and

13 3 3 shall not be counted as more than one director for the purposes of articles 13 3 1 and 13 3 2

13 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

- 13 5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

14. Termination of Alternate Directorship

An alternate director's appointment as an alternate terminates

14 1 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,

14 1 2 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 appointment as a director,

14 1 3 on the death of the alternate's appointor, or

14 1 4 when the alternate's appointor's appointment as a director terminates

15. Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

Shares and Distributions

16. Dividends

16 1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this Article 16

16 2 The Company shall, without need for a resolution of the Directors, or the Company in general meeting and before application of any Available Profits to reserves or for any other purpose, pay in respect of the Preferred Shares a preferential dividend (**Preferred Dividend**) of all Available Profits to the persons registered as holders on the due date (such date determined in accordance with this Article 16) subject to a

maximum aggregate Preferred Dividend on each Preferred Share of an amount equal to the Issue Price of each Preferred Share (**Maximum Preferred Dividend**)

- 16 3 Subject to Article 16 4, a Preferred Dividend shall be paid as soon as the Company has sufficient Available Profits to declare a dividend and the Company shall prepare monthly management accounts compliant with section 836 of the Act for the purposes of assessing whether there are Available Profits to declare and pay a Preferred Dividend For the purposes of this article 16, the due date for payment of a Preferred Dividend shall be 21 days from the end of any month in respect of which management accounts show there to be Available Profits
- 16 4 All unpaid arrears and accruals of the Preferred Dividend shall be paid on the date of an Exit or, if earlier, on the date of conversion of all Preferred Shares in accordance with article 20
- 16 5 The Company shall not declare or pay any further dividend unless and until all arrears and accruals of the Preferred Dividend have been paid
- 16 6 Subject to Article 16 5, any further Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (pari passu as if they constituted Shares of the same class) pro rata to their respective holdings of Equity Shares
- 16 7 Subject to the Companies Acts, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment
- 16 8 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up All dividends are expressed net and shall be paid in cash
- 16 9 If, for any reason whatsoever, the Company does not pay the Preferred Dividend in full on the due date, the unpaid amount shall

16 9 1 be a debt due from the Company, and

16 9 2 accrue interest daily (assuming a 365 day year) at the rate of 4% above the base lending rate of National Westminster Bank plc in respect of the period from the due date to the actual date of payment (both dates inclusive), compounded to the end of each calendar month and such interest shall, to

the extent outstanding for the time being, be paid on the date of payment of the Preferred Dividend in respect of which the relevant interest accrues

16 10 If the Company is in arrears in paying the Preferred Dividend, the first Available Profits arising shall be applied in or towards paying off any arrears of Preferred Dividend

17. Liquidation Preference

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

17 1 1 first, in paying to the holders of the Preferred Shares in respect of each Preferred Share held a sum equal to any arrears and accruals of the Preferred Dividend in respect of each Preferred Share calculated down to (and including) the date of the return of capital (including any interest due under Article 16 9 2) together with an additional sum equivalent to the difference between the aggregate of the Preferred Dividend paid and the Maximum Preferred Dividend. If there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Preferred Shares pro rata to the aggregate amounts due under this Article 17 1 1 in respect of each such Preferred Share held, and

17 1 2 second, in paying to the holders of the Ordinary Shares in respect of each Ordinary Share held the Issue Price of that Ordinary Share, together with a sum equal to any arrears and accruals of dividend in respect of that Ordinary Share 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 Ordinary Shares pro rata to the aggregate amounts due under this Article 17 1 2 to each such Ordinary Share held, and

17 1 3 thereafter, in distributing the balance among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class

18. Exit Provisions

- 18 1 The proceeds of a Share Sale shall be distributed in the order of priority set out in Article 17. The Directors shall not register any transfer of Shares if the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (**Sale Proceeds**) is not distributed in that manner provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale
- 18 1 1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 17, and
- 18 1 2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) required to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 17
- 18 2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 17, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required (including, but without prejudice to the generality of this Article 18 2, such action as may be necessary to put the Company into voluntary liquidation so that Article 17 applies)
- 18 3 In the event of an Exit approved by the holders of not less than 75% of the Shares (**Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are reasonably required by the holders of not less than 75% of the Shares to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article 18 3
- 18 3 1 the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit,

18 3 2 the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents, and

18 3 3 the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest)

19. Variation of Class Rights

19 1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class

19 2 Without prejudice to the generality of Article 19 1, the special rights attaching to the Preferred Shares shall be deemed to be varied by the occurrence of any of the following events

19 2 1 the amendment or repeal of any provision of, or addition of any provision to, the constitution of the Company,

19 2 2 the alteration in any manner (including, without limitation, by an increase, reduction, sub-division, consolidation, re-classification or a change in any of the rights attached) of any of the issued share capital or other securities of the Company or the creation by the Company of any shares or other securities (save as expressly provided otherwise in these Articles),

19 2 3 the approval of any merger, liquidation, dissolution or acquisition of the Company or the sale of all or any part of the business, undertaking or assets of the Company,

19 2 4 the entering into by the Company of a voluntary winding up, and

19 2 5 the transferring of any profits to reserves or otherwise (save in the ordinary course of business) and the taking of any action (excluding payment of dividends) which will raise or may reduce the amount of the profits of the Company available for distribution

- 19 3 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not, except as provided in Article 19 2, constitute a variation of the rights of those existing classes of Shares

20. Conversion of Preferred Shares

- 20 1 Subject to Article 20 2 any holder of Preferred Shares may at any time, by notice in writing to the Company, require conversion of all of the Preferred Shares held by it at any time into Ordinary Shares Those Preferred Shares shall convert automatically on the date of service of such notice on the Company (unless such notice states that conversion is to be effective on some later date, or when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect on that later date, or when such conditions have been fulfilled, as the case may be)
- 20 2 Without prejudice to Article 20 1 each Preferred Share shall automatically convert into an Ordinary Share following payment of the Maximum Preferred Dividend in respect of such Preferred Share (which amount shall include any interest due on accrued amounts due under Article 16 9 2)
- 20 3 In the case of a conversion pursuant to Article 20 1 or 20 2 at least 10 Business Days after the date of conversion each holder of the relevant Preferred Shares converted or to be converted shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the Directors for any lost share certificate) for the Preferred Shares being converted (together with such other evidence (if any) as the Directors may reasonably require to prove good title to those Shares) to the Company at its registered office for the time being
- 20 4 On conversion pursuant to this Article 20
- 20 4 1 the relevant Preferred Shares shall (without any further authority than that contained in these Articles) stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share held (subject to adjustment to take account of any sub-division, consolidation or re-classification of either the Preferred Shares or the Ordinary Shares at any time before a conversion in accordance with this Article 20) and the Ordinary Shares resulting from the conversion shall rank *pari passu* in all respects with the existing issued Ordinary Shares, and

20 4 2 the Company shall, if it has sufficient Available Profits, pay to the holder(s) of the Preferred Shares being converted a dividend equal to all arrears and accruals of dividends in relation to those Preferred Shares (to be calculated on a daily basis down to (and including) the date of conversion) If the Company has insufficient Available Profits to pay all such arrears and accruals of dividend amounts in full then it shall pay the same to the extent that it is lawfully able to do so and the balance of any such arrears or accruals shall be a debt due of the Company to which Article 16 9 and Article 16 10 shall apply

20 5 Forthwith following a conversion pursuant to this Article 20, the Company shall enter the holder(s) of the converted Preferred Shares in the register of Shareholders of the Company as the holder(s) of the appropriate number of Ordinary Shares and, subject to the relevant holder of Preferred Shares delivering the relevant share certificate(s) (or indemnity or other evidence) in respect of the Preferred Shares in accordance with Article 20 3, the Company shall, within 10 Business Days of conversion, forward a definitive share certificate for the appropriate number of fully paid Ordinary Shares to such holder of converted Preferred Shares, by post to his address as shown in the Company's register of Shareholders, at his own risk and free of charge

Decision making by shareholders

21. Voting

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote, on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder, and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder

22. Proxies

22 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

- 22 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

Further Issue of Shares

23. Further Issues of Shares: Authority

- 23 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares (of whichever classification) or to grant rights to subscribe for, or to convert any security into, any shares (of whichever classification) in the company

- 23 2 Subject to the remaining provisions of this Article 23 and to Article 24, the directors are generally and unconditionally authorised, for the purposes of section 551 of the 2006 Act and generally, to exercise any power of the Company to

23 2 1 offer or allot,

23 2 2 grant rights to subscribe for or to convert any security into,

23 2 3 otherwise deal in, or dispose of, any shares in the company of whichever classification (**Shares**) to any person, at any time and subject to any terms and conditions as the directors think proper

- 23 3 The authority referred to in Article 23 2

23 3 1 shall be limited to a maximum nominal amount

23 3 1 1 in respect of Ordinary Shares of £60, and

23 3 1 2 in respect of Preferred Shares of £39

23 3 2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution, and

23 3 3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the

expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired)

24. Further Issues of Shares· Pre-emption Rights

24 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company

24 2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions) The offer

24 2 1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and

24 2 2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe

24 3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 24 2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 24 2 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 24 2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders

- 24 4 Subject to Articles 24 2 and 24 3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper
- 24 5 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

Transfer of Shares

25. Share Transfers

- 25 1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share
- 25 2 No shareholder shall transfer any share except with the prior written consent of all shareholders for the time being

Administrative arrangements

26. Means of Communication to be Used

- 26 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 26 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 26 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

26 1 3 if properly addressed and sent or supplied by electronic means, two hours after the document or information was sent or supplied, and

26 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

26 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

27. Indemnity

27 1 Subject to article 27 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

27 1 1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

27 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and

27 1 1 2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

27 1 2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 27 1 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

27 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

27 3 In this article

27 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

27 3 2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

28. Insurance

28 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

28 2 In this article

28 2 1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

28 2 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

28 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate