

Company Number: 09983133

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

LAZARI PROPERTIES 2A LIMITED

(the “Company”)

Circulated on 23rd March 2020 (the “Circulation Date”)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the “Act”), the directors of the Company propose that the following resolutions be passed as special resolutions (the “Resolutions”):

SPECIAL RESOLUTIONS

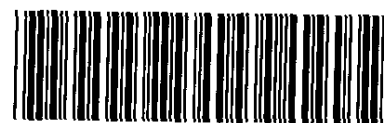
- 1 “**THAT**, pursuant to section 641(1)(a) of the Act, the share premium account of the Company as at the date on which this Resolution is passed be reduced by £1,000,000.
- 2 “**THAT**, the amount arising upon the reduction of capital pursuant to Resolution 1 above be credited to the profit and loss reserves of the Company.”

AGREEMENT

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

We, the undersigned, being the sole eligible member of the Company, hereby confirm that we have received a copy of the Resolutions in accordance with section 291 of the Act and hereby irrevocably agree that the Resolutions be passed as written resolutions pursuant to section 288 of the Act and shall take effect as special resolutions.

THURSDAY



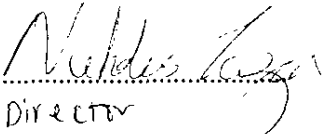
A91061QI

A12

26/03/2020

#58

COMPANIES HOUSE


.....
Director
for and on behalf of

LAZARI INVESTMENTS LIMITED

Dated: 23rd March 2020

NOTES

1. Eligible members are the members of the Company who would have been entitled to vote on the Resolutions on the Circulation Date.
2. You can choose to agree to all of the Resolutions or none of them but you cannot agree to only one of them. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company.
3. If you do not agree to all of the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.
4. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
5. Pursuant to section 642 of the Act, the Resolutions must be passed not more than 15 days after the date of the solvency statement relating to the reduction of capital (the date of such solvency statement being 23rd March 2020, therefore unless sufficient agreement has been received for the Resolutions to be passed within 15 days after the date of the solvency statement, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before the end of this period.

LAZARI PROPERTIES 2A LIMITED

(the “**Company**”)

**MEMORANDUM OF ADVICE TO DIRECTORS ON THE SOLVENCY STATEMENT
REDUCTION OF CAPITAL PROCEDURE**

1 INTRODUCTION

- 1.1 It is a fundamental principle of English company law that a limited company cannot return capital to its shareholders without following a legal procedure to ensure that the interests of its creditors are protected.
- 1.2 One such procedure, available to private companies but not public companies, is a capital reduction supported by a solvency statement (the “**Solvency Statement Procedure**”).
- 1.3 The Solvency Statement Procedure may be used by a private company limited by shares provided that it will have at least one member remaining after the proposed reduction. That member need only hold one share in the company but that share must not be a redeemable share. The principle behind this requirement is that a private company limited by shares should not be capable of reducing its share capital to nil unless it has court approval. Subject to that, a private company may reduce its share capital under the Solvency Statement Procedure “in any way”. The Solvency Statement Procedure may also be applied to reduce or cancel a private limited company’s share premium account or capital redemption reserve.

2 INITIAL STEPS

2.1 Due diligence

The first step that needs to be taken before embarking on the Solvency Statement Procedure is to carry out due diligence to check:

- 2.1.1 that there are no **agreements or arrangements** to which the Company is a party, or by which it is bound, which prevent or restrict (e.g. by requiring prior consent) a capital reduction (such agreements might be in the form of shareholders’ agreements, loan agreements, security documents or any other commercial agreements);
- 2.1.2 that the Company’s **articles of association** do not contain any prohibition against reducing capital (note that the articles no longer need to contain a specific authority to reduce share capital);
- 2.1.3 if any **class consents** are required (where there is more than one class of share in issue);
- 2.1.4 if the terms of any **share options** need to be varied to allow the reduction; and

Step 1.2

- 2.1.5 if any **regulatory consents** are required: for example, if there is an associated return of capital and the Company is an employer or part of the group pension arrangements, whether Pensions Regulator consent is required.

2.2 Consider directors' duties

The directors must ensure that they have considered their fiduciary and statutory duties. The directors must also consider whether they stand to gain from the capital reduction, either personally or through other companies of which they are directors. It is important that the directors use independent judgment when they consider these issues. Where there are common directorships, each director should make his decision on an entity by entity basis and not on a group-wide basis.

3 THE PROCEDURE

3.1 Board meeting

A board meeting will need to be held at which the directors:

- 3.1.1 consider the Company's solvency and the grounds for giving the Solvency Statement (as described below);
- 3.1.2 consider the forms of the various other documents to be tabled at the meeting (described later in this note); and
- 3.1.3 propose a special resolution of the Company to reduce its share capital.

3.2 Solvency Statement

- 3.2.1 Prior to the Companies Act 2006 (the "**2006 Act**"), a private company could only reduce its capital by seeking authority from the court (the "**Court Approval Route**"). The 2006 Act introduced the Solvency Statement Procedure for private limited companies as an alternative to the Court Approval Route. The Solvency Statement Procedure avoids the need to involve the court in the reduction of capital. The Court Approval Route is generally a more expensive and time consuming procedure and will involve the court agreeing to the level of creditor protection required to be put in place by the company. However, by using the Court Approval Route and obtaining the Court's approval to the creditor protection required, the directors will have a higher level of comfort that their duties have been discharged. The Solvency Statement Procedure is intended to be a simplified procedure, under which all of the directors have to make a solvency statement of the Company (the "**Solvency Statement**"). As a result of this, the onus will be on the directors to ensure that the creditors are protected.
- 3.2.2 To be able to make the Solvency Statement every director must form the opinion that there is no ground on which the Company could be found unable to pay or otherwise discharge its debts (actual, prospective and contingent) on the date of the Solvency Statement and as they fall due over the year immediately following

that date, or, if it is intended that the Company will be wound up in that period, in full within 12 months of the commencement of the winding up (and if the intended winding up does not commence within such period, within 12 months of the date of the Solvency Statement).

- 3.2.3 The directors must have reasonable grounds for forming the opinions they make in the Solvency Statement and they must have exercised reasonable care, skill and diligence in forming those opinions. It is advisable that the directors keep a record of the information and supporting materials (and, if applicable, advice) they considered in reaching their opinions.
- 3.2.4 The directors must consider all the Company's liabilities: these include actual and contingent liabilities as well as prospective liabilities at the date of the Solvency Statement. Contingent and prospective liabilities are liabilities which the Company will, or may, have to meet but which have not yet accrued as at the relevant date. More specifically, a contingent liability is a debt which may or may not become due, depending on future events outside control of the Company; while a prospective liability is a debt which will become payable at some point in the future. A thorough examination of the Company's creditors is therefore required: not just its balance sheet creditors. If there are any uncertainties, either as regards contingent and prospective liabilities or as regards the resources available to meet debts, the directors should consider these uncertainties and satisfy themselves that there is a reasonable basis for their conclusions.
- 3.2.5 When considering the resources available (or which could reasonably be expected to be available) to the Company to meet its debts over the following 12 months, the directors may need to consider any potential threats to the Company's business model (based on the facts and circumstances known to them or which could reasonably be expected to have been known to them had they exercised reasonable care, skill and diligence) including for example, what the effect on the Company would be of any events such as the insolvency of a supplier or loss of a major customer and the likelihood of such events occurring.
- 3.2.6 There is no requirement for an independent third party's report on the directors' conclusions. However, the directors may wish to obtain advice to reach their opinion or seek comfort on the processes they have gone through (or propose to go through) to help satisfy themselves that their opinion is soundly based. Whether or not they choose to do so is likely to depend on their assessment of the difficulties of forming their opinion. More complex cases (where assets cannot be readily liquidated or where liabilities (especially contingent or prospective liabilities) are difficult to ascertain) will require careful thought and in such

situations the directors may wish to seek the comfort of an independent third party's advice.*

**Please note that PricewaterhouseCoopers LLP has not been engaged to carry out a review of the creditor position of the Company. If the directors are in doubt about the creditor position of the Company they should seek specific professional advice.*

- 3.2.7 If the directors make a Solvency Statement without having reasonable grounds for the opinions expressed in it and the Solvency Statement is delivered to the Registrar of Companies, every director in default will have committed a criminal offence and is liable on conviction to imprisonment for up to two years, or to a fine, or both.

3.2.8 **Form and execution requirements**

- (a) **Must be “in the prescribed form”.** The Solvency Statement must:
(a) be in writing; (b) indicate that it is a solvency statement for the purposes of section 642 of the 2006 Act; and (c) be signed by each of the directors.
- (b) **All directors must sign.** If a director is unable or unwilling to make and sign the Solvency Statement he should resign and all remaining directors should sign. Note that a resignation followed by a reappointment soon after the Solvency Statement is made is very likely to be ineffective (in an analogous situation the Court found a resignation and reappointment to be a sham and the director remained a *de facto* director).
- (c) **Identity of all signatories must be clear.** The name of each director must be stated on the Solvency Statement (and ideally printed underneath his or her signature).
- (d) **Position of attorneys and alternates.** In this firm's view it is not permissible, and Companies House has indicated that it would not be acceptable, for a director to appoint an attorney to make and sign the Solvency Statement on his behalf. Companies House has also indicated that the signature of the Solvency Statement by an alternate director would not be effective as a substitute for the signature of his appointer, even where a Form AP01 (or, if formerly, a Form 288a) has been submitted upon the alternate's appointment (in which latter case both the alternate and the appointer, both being registered as directors of the Company at Companies House, would be required to sign).
- (e) **Counterparts.** The explanatory notes to the relevant legislation (section 643 of the 2006 Act) state that “there is no requirement that the

directors must all be in the same location when they make this statement". On this basis, and treating the situation as analogous to the making of statutory declarations of solvency under the "whitewash" procedure in relation to the Companies Act 1985, it is this firm's view that the Solvency Statement requirement may be met by more than one statement so long as:

- (i) all counterparts are in exactly the same form;
 - (ii) all counterparts are made on the same day and bear the same date;
and
 - (iii) all counterparts are submitted to the Registrar of Companies together.
- (f) **No need to be sworn or witnessed.** There is no requirement for the Solvency Statement to be sworn as an oath or otherwise or for it to be witnessed.

3.3 **Special resolution of the Company**

In order to effect the reduction of capital, a special resolution of the shareholders is required.

- 3.3.1 **Passed as a written resolution.** The special resolution may be proposed as a written resolution (pursuant to the statutory procedure set out in the 2006 Act), provided that, before or at the same time as the resolution is circulated to each member, a copy of the Solvency Statement is also provided to that member in accordance with section 642(2) of the 2006 Act. A written resolution will be passed if signed by shareholders together holding at least three quarters of the Company's voting share capital.
- 3.3.2 **Passed at general meeting.** If proposed at general meeting, the special resolution of the members of the Company will be passed if at least three quarters of the votes cast at the general meeting are cast in favour of it. A copy of the Solvency Statement must be made available for inspection throughout the meeting in accordance with section 642(3) of the 2006 Act.
- 3.3.3 The resolution must be passed not more than 15 days after the date on which the Solvency Statement is made by the directors.
- 3.3.4 The validity of the resolution is not affected by a failure to provide a copy of the solvency statement to the members of the Company in accordance with section 642(2) or, as the case may be, section 642(3) of the 2006 Act, but if a company delivers to the Registrar of Companies a solvency statement that was not so provided, an offence is committed by the company and every officer of the company who is in default and each such person is liable on conviction to a fine.

3.4 **Filings with the Registrar of Companies**

Once the Solvency Statement has been made and the shareholders' resolution passed, the Company must deliver to the Registrar of Companies the following documents:

- 3.4.1 a copy of the special resolution;
- 3.4.2 a copy of the Solvency Statement;
- 3.4.3 a statement made by all the directors confirming that the Solvency Statement was made not more than 15 days before the date of the special resolution and that it was made available to the members of the Company as required at the time that they approved the resolution; and
- 3.4.4 Form SH19 (incorporating the statement of capital).

The statement of capital must state, with respect to the Company's share capital as reduced by the special resolution: (i) the total number of shares of the Company; (ii) the aggregate nominal value of those shares; (iii) specified details of the various classes of shares in the Company's share capital; and (iv) the amount paid up and any amount unpaid on each share (whether in respect of nominal value or share premium). A statement of capital should also be filed for the reduction and/or cancellation of share premium account and/or capital redemption reserve, as these are considered "share capital" for the purposes of the reduction.

3.5 **Timing of the reduction**

The reduction of capital becomes effective upon Companies House registering a copy of the special resolution, a copy of the solvency statement and a form SH19 (statement of capital). These documents can be registered with Companies House on a 'same day' basis for a fee of £50.

PricewaterhouseCoopers LLP

March 2020

LAZARI PROPERTIES 2A LIMITED

(company number 09983133)

(the "Company")

Minutes of a meeting of the board of directors

held at Greater London House, Hampstead Road, London NW1 7QX

on 23rd March 2020 at 12 ~~am~~ pm

PRESENT: Andrie Lazari
Leonidas Lazari
Nicholas Lazari

IN ATTENDANCE:

THURSDAY

COMPANIES HOUSE

1 NOTICE AND QUORUM

1.1 It was noted that notice of the meeting had been given to all those entitled to receive the same and that the quorum necessary for a meeting of the board of directors of the Company was present.

1.2 **IT WAS RESOLVED** that NICHOLAS LAZARI be and hereby is appointed chairman of the meeting.

2 PURPOSE OF THE MEETING

2.1 The chairman reported that the meeting had therefore been convened to consider and, if thought fit, approve a reduction of the Company's capital (the "**Reduction**") pursuant to section 641(1)(a) of the Companies Act 2006 (the "**Act**") by special resolution of the Company supported by a statement of solvency of the Company made by each of its directors. It was noted that it was proposed that the Reduction would entail:

2.1.1 reducing the amount standing to the credit of the share premium account of the Company as at 23rd March 2020 by £1,000,000; and

2.1.2 crediting the sum of £1,000,000 arising on the Reduction to the profit and loss reserves of the Company.

3 DIRECTORS' INTERESTS

3.1 In accordance with sections 177 and 182 of the Act each director present with an interest in the proposed Reduction declared to the meeting the nature and extent of that interest including the directorships that they each held in the Lazari group of companies.

3.2 It was noted that, under the articles of association of the Company (the "**Articles**"), each director present was entitled to vote on the business to be transacted at the meeting and be counted towards the quorum present, notwithstanding any interest in the proposed

Reduction, provided that the same had been disclosed to the board as required by sections 177 and 182 of the Act.

3.3 It was further noted that under the Articles, each director present with an interest in the proposed business to be transacted at the meeting shall not be regarded as in breach of the duty set out in section 175 of the Act in relation to conflicts of interest or potential conflicts of interest which arise by reason of that director also acting as a director of any group undertaking (as defined in section 1161(5) of the Act).

3.4 Each of the directors concerned was reminded of his or her obligation to make a further declaration if his or her interest proved to be, or became, inaccurate or incomplete.

4 REDUCTION

The following documents were produced to the meeting and were carefully considered by the directors:

4.1 draft written resolutions pursuant to section 291 of the Act (the “**Written Resolutions**”), to be passed (if thought fit) by the sole shareholder of the company, Lazari Investments Limited (the “**Sole Shareholder**”), as special resolutions for the purposes of section 641(1)(a) of the Act, to:

4.1.1 reduce the amount standing to the credit of the share premium account of the Company as at March 2020 by £1,000,000; and

4.1.2 credit the sum of £1,000,000 arising upon the Reduction to the profit and loss reserves of the Company;

4.2 a draft solvency statement for the purposes of section 642 of the Act, to be signed by each of the directors of the Company expressing the opinions therein as soon as practicable, and in any event not more than 15 days before the Written Resolutions are passed, and to be sent to the Sole Shareholder with the Written Resolutions pursuant to section 642(2) of the Act (the “**Solvency Statement**”);

4.3 a draft of a statement by each of the directors pursuant to section 644(5) of the Act, confirming that the Solvency Statement had been made not more than 15 days before the date on which the Written Resolutions were passed and had been provided to the Sole Shareholder in accordance with section 642(2) of the Act (the “**Statement of the Directors**”); and

4.4 a draft statement of capital (Form SH19 (644 and 649)) complying with section 644(2) of the Act (the “**Statement of Capital**”).

5 SOLVENCY OF THE COMPANY

5.1 The chairman reminded the meeting that in order to effect the Reduction all the directors will need to make and sign the Solvency Statement and that each of the directors making it must have reasonable grounds for the opinions expressed in it, taking into account all of the Company’s liabilities, including any contingent or prospective liabilities.

- 5.2 The draft of the Solvency Statement was then carefully examined by those present and it was noted that the opinions expressed in the Solvency Statement are as follows:
- 5.2.1 that, as regards the Company's situation at the date of the Solvency Statement, there is no ground on which the Company could be found to be unable to pay (or otherwise discharge) its debts; and
 - 5.2.2 the Company will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the date of the Solvency Statement.
- 5.3 The chairman further noted that by virtue of sections 643(4) and (5) of the Act, if the directors were to make the Solvency Statement without having reasonable grounds for the opinions expressed in it, and the statement were to be delivered to the Registrar of Companies, an offence would be committed by the directors, which offence carries a maximum sentence of two years imprisonment or a fine (or both).
- 5.4 For the purposes of considering the grounds for the opinions given in the Solvency Statement the following documents (the "**Documents**") were examined by those present at the meeting:
- 5.4.1 a memorandum of advice prepared by PricewaterhouseCoopers LLP, addressed to the directors, explaining the solvency statement reduction of capital procedure; and
 - 5.4.2 the latest annual accounts of the Company for the year ended 31 March 2019 (the "**Annual Accounts**") and the management accounts of the Company for the period from 1 December 2019 to 31 December 2019 and containing a balance sheet as at such date.
- 5.5 The Documents were carefully considered as were the actual, prospective and contingent liabilities of the Company.
- 5.6 It was noted that, in light of all information and documents presented to the meeting, the directors are able to form the opinion that there is no ground on which the Company could be found to be unable to pay (or otherwise discharge) its debts, and that, furthermore, the Company would be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the date on which the Solvency Statement may be made.
- 5.7 Each of the directors present at the meeting then confirmed that he/ or she:
- 5.7.1 had carefully considered the opinions in the Solvency Statement and the evidence produced to the meeting in respect of those opinions;
 - 5.7.2 was of the opinion that the statements and opinions contained in the Solvency Statement were based upon reasonable grounds and could therefore be properly made; and
 - 5.7.3 individually and collectively as a member of the board, accepted full responsibility for the accuracy of such statements and opinions.

6 DIRECTORS' DUTIES

It was noted that, among his other duties, a director of a company is required by statute to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard, among other things, to the matters listed in section 172(1) of the Act.

7 RESOLUTIONS

The matters discussed at the meeting were then considered by the directors in light of their duties and **IT WAS RESOLVED** that:

- 7.1 the Reduction was most likely to promote the success of the Company for the benefit of its member, the Sole Shareholder, and it be and hereby is approved;
- 7.2 the Solvency Statement be and hereby is approved for signature by all of the directors of the Company forthwith;
- 7.3 the form of the Written Resolutions be and hereby is approved and, following execution of the Solvency Statement by each of the directors of the Company, the secretary or any director of the Company be and hereby is instructed to:
 - 7.3.1 deliver the Written Resolutions to the Sole Shareholder pursuant to section 291 of the Act (accompanied by a copy of the duly executed Solvency Statement pursuant to section 642(2) of the Act) for, if thought fit, signature within 15 days of the Solvency Statement being made; and
 - 7.3.2 send a print of the Written Resolutions (accompanied by a copy of the duly executed Solvency Statement) to the Company's auditors in accordance with section 502 of the Act;
- 7.4 subject to the Written Resolutions being duly signed within 15 days of the Solvency Statement being duly made and signed, the Statement of the Directors being duly signed, any one director or the secretary of the Company be and hereby is authorised to sign the Statement of Capital;
- 7.5 any director or the secretary of the Company be and hereby is authorised to approve, execute, deliver and perform, and to procure to be executed, delivered and performed, on behalf of the Company, all such agreements, certificates, instruments or other documents and to take all such other and further actions as it may be necessary or desirable to have approved, executed, delivered, performed and taken on behalf of the Company in connection with the Reduction (save that any two directors, or any director and the secretary of the Company, or any director of the Company in the presence of a witness, be and hereby are authorised on behalf of the Company to execute any document required to be executed as a deed).

8 FILINGS

Any director be and hereby is authorised and instructed to file the Written Resolutions, the Solvency Statement, the Statement of the Directors and the Statement of Capital, once duly

signed, with the Registrar of Companies and to update the Company's books and registers as necessary to reflect the Reduction when effected.

9

CLOSE OF THE MEETING

There being no further business, the chairman declared the meeting closed.


.....
CHAIRMAN