

Company Number: 10633788

The Companies Act 2006

Company Limited by Shares

Written Resolutions

of

Palladient Limited

(Company)

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COMPANIES HOUSE

On 30 August 2017 the member of the Company who was entitled to vote on the resolution on their circulation date passed the resolutions below:

Ordinary Resolutions

1. That, subject to the passing of Resolution 5 in accordance with section 551 of the Act, the directors be generally and unconditionally authorised to allot:

- 1.1 499 A ordinary shares of £1 each in the Company up to an aggregate nominal amount of £499.00; and
- 1.2 500 B ordinary shares of £1 each in the Company up to an aggregate nominal amount of £500,

provided that this authority shall, unless renewed, varied or revoked by the Company, expire five years from the date of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require such shares to be allotted and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

2. That, subject to the passing of Resolution 5, the shares in the capital of the Company shall have the rights attached to them according to the draft articles of association attached to these Resolutions pursuant to Resolution 5.

Special Resolutions

3. That, subject to the passing of Resolution 4, the 1 ordinary shares of £1.00 in the capital of the Company be re-classified as an A ordinary share of £1.00, having the rights of the existing A ordinary shares of £1.00 each in the capital of the Company as set out in the Company's articles of association for the time being.
4. That, subject to the passing of Resolutions 1 and 5, and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 2, as if the pre-emption rights contained within section 561 of the Act or otherwise did not apply to any such allotment.
5. That the draft articles of association attached to these Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.
6. That, subject to the passing of Resolutions 1, 2, 4 and 5, that article 13.3 of the Company's articles of association, as adopted pursuant to Resolution 4, be hereby disapplied in respect of the allotment of equity securities pursuant to Resolution 1.

Director

Dated

30 August

2017

Certified a true and correct copy
of the original document

Signed 

Printed CLAIRE WILLCOCK

Muckle LLP

Newcastle upon Tyne

Date 05.09.2017

The Companies Act 2006

Private Company Limited by Shares



Articles of Association

of

Palladient Limited

Adopted by special resolution on 30 August 2017

muckle^{LLP}

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

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Company number:

The Companies Act 2006
Private Company Limited by Shares

Articles of Association
of
Palladient Limited (Company)

Introduction

1. Interpretation

1.1 In these Articles, the following words have the following meanings:

A Director	any director appointed to the Company by holders of the A Shares;
A Share	an ordinary share of £1 in the capital of the Company designated as an A Share;
Appointor	has the meaning given in article 12.1;
Articles	the Company's articles of association for the time being in force;
B Director	any director appointed to the Company by holders of the B Shares;
B Share	an ordinary share of £1 in the capital of the Company designated as a B Share;
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
CA 2006	the Companies Act 2006;
Conflict	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
Continuing Shareholder	has the meaning given in article 17.1;
Deemed Transfer Notice	a Transfer Notice that is deemed to have been served under any provisions of these Articles;

Eligible Director	any Eligible A Director or Eligible B Director (as the case may be);
Eligible A Director	an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter);
Eligible B Director	a B Director who would be entitled to vote on the matter at a meeting of directors (but excluding any B Director whose vote is not to be counted in respect of the particular matter);
Fair Value	in relation to shares, as determined in accordance with article 19;
holding company	has the meaning given in article 1.5;
Interested Director	has the meaning given in article 9.1;
Model Articles	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 and reference to a numbered Model Article is a reference to that article of the Model Articles;
Original Shareholder	a shareholder who holds shares in the Company on the date of adoption of these Articles;
Permitted Group	in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group . Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time;

Price Notice	has the meaning given in article 17.2;
Proposed Sale Price	has the meaning given in article 17.1;
Purchase Notice	has the meaning given in article 17.2;
Sale Shares	has the meaning given in article 17.1;
Seller	has the meaning given in article 17.1;
subsidiary	has the meaning given in article 1.5;
Transfer Notice	an irrevocable notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;
Valuers	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, 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);
Writing or written	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 17, and article 18, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1.2 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 CA 2006 shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

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

1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

1.5.1 another person (or its nominee), by way of security or in connection with the taking of security; or

1.5.2 its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the CA 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. Adoption of 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 or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. Directors' Meetings

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will try to meet at least monthly.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless:
- 3.3.1 more votes are cast for it than against it; and

- 3.3.2 at least one Eligible A Director and at least one Eligible B Director who is participating in the meeting of the directors or of the committee of the directors have voted in favour of it.
- 3.4 Except as provided by article 3.6, each director has one vote at a meeting of directors.
- 3.5 If at any time before or at any meeting of the directors or of any committee of the directors all A Directors participating or all B Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 If the shareholders are not represented at any meeting of the directors or of any committee of the directors by an equal number of Eligible A Directors and Eligible B Directors (whether participating in person or by an alternate), then one of the Eligible Directors so nominated by the shareholder who is represented by fewer Eligible Directors shall be entitled at that meeting to such additional vote or votes as shall result in the Eligible Directors so participating representing each shareholder having in aggregate an equal number of votes.
- 3.7 A committee of the directors must include at least one A Director and one B Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.
4. **Unanimous Decisions of Directors**
- 4.1 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.
- 4.2 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.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

5. Number of Directors

The number of directors shall not be less than two with at least one A Director and at least one B Director. No shareholding qualification for directors shall be required.

6. Calling a Directors' Meeting

6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one A Director and at least one B Director) to each director or by authorising the Company secretary (if any) to give such notice.

6.2 Notice of any directors' meeting must be accompanied by:

6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting;
and

6.2.2 copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. Quorum for Directors' Meetings

7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one at least shall be an Eligible A Director (or his alternate) and one at least an Eligible B Director (or his alternate).

7.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place

8. Chairing of Directors' Meetings

The post of chairman of the directors will be held in alternate years by an A Director or by a B Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

9. **Directors' Interests**

- 9.1 For the purposes of section 175 of the CA 2006, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.
- 9.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 9.3.2 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;
 - 9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
 - 9.3.5 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
 - 9.3.6 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.
- 9.4 Where the shareholders authorise a Conflict:

- 9.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
- 9.4.2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the CA 2006, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 9.5 The shareholders 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.
- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Any A Director or B Director shall be entitled from time to time to disclose to the holders of the A Shares (in the case of an A Director) or the holders of the B Shares (in the case of a B Director) such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A shareholder or (as the case may be) B shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
- 9.8 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 shareholders in accordance with these Articles (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.
- 9.9 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.

- 9.10 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.9.
- 9.11 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.11.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 9.11.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.11.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.11.4 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;
- 9.11.5 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
- 9.11.6 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 CA 2006)) 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 CA 2006.

10. 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 a form that enables the Company to retain a copy of such decisions.

11. Appointment and Removal of Directors

11.1 The holder of the A Shares for the time being shall be entitled to appoint two persons to be A Directors of the Company and any holder of B Shares for the time being shall be entitled to appoint one person to be a B Director of the Company.

11.2 Any A Director may at any time be removed from office by the holder of a majority of the A Shares and any B Director may at any time be removed from office by a holder of B Shares. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.

11.3 If any A Director or any B Director shall die or be removed from or vacate office for any cause, the holder of a majority of the A Shares (in the case of an A Director) or the holder of any B Shares (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).

11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder of a majority of the A Shares or the holder of any B Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office, and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

11.5 The right to appoint and to remove A Directors or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively.

11.6 If no A Shares or B Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation.

11.7 No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

12. **Alternate Directors**

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "A Director" or "B Director" shall include an alternate director appointed by an A Director or a B Director (as the case may be). A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) 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 he is willing to act as the alternate of the director giving the notice.*
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
- 12.5.1 are deemed for all purposes to be directors;
 - 12.5.2 are liable for their own acts and omissions;
 - 12.5.3 are subject to the same restrictions as their Appointors; and
 - 12.5.4 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.
- 12.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:

- 12.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
- 12.6.2 participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 12.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
- 12.9.2 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; or
- 12.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

13. Share Capital

- 13.1 The Company shall have two classes of Shares being the A Shares and the B Shares.
- 13.2 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 13.3 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 13.4 On the transfer of any share as permitted by these Articles:

13.4.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and

13.4.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

13.5 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

13.6 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

13.6.1 any alteration in the Articles;

13.6.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and

13.6.3 any resolution to put the Company into liquidation.

13.7 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

14. Share rights

14.1 A Shares

14.1.1 Dividends

The A Shares shall entitle the holders of the A Shares to any dividends or distributions that are made or declared by the directors in their absolute discretion

and in proportion to the amounts for the time being paid up on the A Shares, save that the holders of the A Shares shall be entitled to £200,000 by way of dividend or distribution in priority over any other shareholders.

14.1.2 **Voting**

The A Shares shall confer upon the holders of the A Shares thereof one vote per share.

14.2 **B Shares**

14.2.1 **Dividends**

The B Shares shall entitle the holders of the B Shares to any dividends or distributions that are made or declared by the directors in their absolute discretion, save that they shall not be entitled to any dividends or distribution until the holders of the A Shares have received £200,000 first by way of dividend or distribution.

14.2.2 **Voting**

The B Shares shall confer upon the holders of the B Shares thereof one vote per share.

14.3 **Capital**

Upon:

14.3.1 a winding up of the Company, any surplus of assets;

14.3.2 a sale of the entire issued share capital of the Company, any net proceeds of sale (after deduction of all costs associated with any such sale); or

14.3.3 any other return or distribution of capital to the Shareholders, the amount of the return or distribution,

(in any case, the **Proceeds**), shall be distributed among the Shareholders (and payment or repayment required to be made to the holders of any class of Shares shall be made to such holders in proportion to the amounts paid up thereon) as follows and in the order of priority set out below:

14.3.4 to the holders of the A Shares (in aggregate as a class) where any dividends or distribution made to the holders of the A Shares have not already amounted to £200,000, then such difference shall be paid from the Proceeds so as to ensure the holders of the A Shares have received an amount up to £200,000 (if available). For

the avoidance of doubt, if the holders of the A Shares have already received £200,000 by way of dividend or distribution by the date at which this article 14 takes effect, then the Proceeds shall be distributed in accordance with article 14.3.5; and

14.3.5 the remainder of the Proceeds (if any) to the holders of the A Shares and B Shares equally.

15. Class rights

Whenever the capital of the Company is divided into different classes of Shares the special rights attached to any class of Shares may 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 100% of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class, but not otherwise. The provisions of these Articles relating to general meetings shall apply to such a class meeting, modified so far as necessary.

16. Share Transfers: General

- 16.1 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.
- 16.2 No shareholder shall transfer any share except:
- 16.2.1 with the prior written consent of all shareholders for the time being; or
 - 16.2.2 a shareholder may transfer all (but not some only) of its shares in the Company to any person for cash and not on deferred terms in accordance with the procedure set out in article 17 (pre-emption on transfer); or
 - 16.2.3 in accordance with article 18 (Compulsory Transfers).
- 16.3 Subject to article 16.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 16.4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is

a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 16.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

- 16.5 Any transfer of shares by way of a sale that is required to be made under article 18 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

17. **Pre-emption Rights on the Transfer of Shares**

- 17.1 Except where the provisions of article 18 apply, a shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) must give a Transfer Notice to the other shareholders (**Continuing Shareholders**) giving details of the proposed transfer including:

17.1.1 if it wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
and

17.1.2 the price (in cash) at which it wishes to sell the Sale Shares (**Proposed Sale Price**).

- 17.2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, any Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating either:

17.2.1 that it wishes to purchase the Sale Shares at the Proposed Sale Price (**Purchase Notice**), in which case the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the Proposed Sale Price; or

17.2.2 that the Proposed Sale Price is too high (**Price Notice**).

- 17.3 If, at the expiry of the period specified in article 17.2, the Continuing Shareholders have given neither a Purchase Notice nor a Price Notice, the Seller may transfer all its Sale Shares to the

buyer identified in the Transfer Notice (if any) at a price not less than the Proposed Sale Price provided that it does so within two months of the expiry of the period specified in article 17.2.

17.4 Following service of a Price Notice under article 17.2.2, the Seller and the Continuing Shareholder shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within ten Business Days of the Seller's receipt of a Price Notice, either the Seller or the Continuing Shareholder shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 19. If the Seller and Continuing Shareholder agree a price within the period specified in this article 17.4, the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the price agreed.

17.5 Within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating that the Continuing Shareholder wishes to purchase the Sale Shares at their Fair Value as determined by the Valuers. If, at the expiry of the period specified in this article 17.5, the Continuing Shareholder has not notified the Seller that it wants to buy the Sale Shares, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Fair Value for all of the Sale Shares as determined by the Valuers provided that it does so within two months of the expiry of the period specified in this article 17.5.

18. **Compulsory Transfers**

18.1 In relation to a shareholder being a body corporate, such a shareholder is deemed to have served a Transfer Notice under article 17.1 immediately before any of the following events:

18.1.1 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's group (the structure of which has been previously approved by the other shareholder in the Company in writing) in which a new company assumes (and is capable of assuming) all the obligations of the shareholder; or

18.1.2 the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or

- 18.1.3 a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder; or
- 18.1.4 the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
- 18.1.5 any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
- 18.1.6 the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- 18.1.7 the shareholder entering into a composition or arrangement with any of its creditors; or
- 18.1.8 any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
- 18.1.9 a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors; or
- 18.1.10 the shareholder ceasing to carry on its business or substantially all of its business; or
- 18.1.11 in the case of the events set out in paragraphs (a), (b), (d) or (e) above, any competent person taking any analogous step in any jurisdiction in which the shareholder carries on business.
- 18.2 In relation to any shareholder being an individual, such shareholder is deemed to have served a Transfer Notice under article 17.1 if:
 - 18.2.1 that shareholder shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction; or
 - 18.2.2 shall enter into an individual voluntary arrangement as approved by the individual's creditors or apply for an interim order under section 252 of the Insolvency Act 1986.
- 18.3 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- 18.3.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 19;
- 18.3.2 the Seller does not have the right to withdraw the Deemed Transfer Notice following a valuation;
- 18.3.3 if the Continuing Shareholders do not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party and the Company shall be wound up immediately upon the Continuing Shareholders giving notice in writing to the Company to that effect within such 20 Business Day period.
- 18.4 If the Seller fails to complete a transfer of Sale Shares as required under this article 18, the Continuing Shareholders are irrevocably authorised to appoint any person they nominate for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholders.
- 19. Valuation**
- 19.1 As soon as practicable after deemed service of a Transfer Notice under article 18, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 19.2 The Valuers shall be requested to determine the Fair Value within ten Business Days of their appointment and to notify the shareholders in writing of their determination.
- 19.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 19.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;

- 19.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 19.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
- 19.3.4 the Sale Shares are sold free of all encumbrances; and
- 19.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value.
- 19.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 19.5 To the extent not provided for by this article 19, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 19.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of fraud.
- 19.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

Decision making by shareholders

20. Quorum for General Meetings

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be a holder of A Shares or a duly authorised representative of such holder and one shall be a holder of B Shares or a duly authorised representative of such holder.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

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 except that:

21.1 no shares of one class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class under a right to appoint which is a class right; and

21.2 subject to article 21.1, in the case of any resolution proposed, any holder of A Shares or of B Shares voting against such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat the resolution.

22. Poll Votes

22.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.

22.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

23. Proxies

23.1 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 general meeting (or adjourned meeting) to which they relate".

23.2 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" as a new paragraph at the end of that article.

Administrative arrangements

24. Means of Communication to be Used

24.1 Subject to article 24.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

24.1.1 if delivered by hand, on signature of a delivery receipt; or

- 24.1.2 if sent by fax, at the time of transmission; or
 - 24.1.3 if sent by pre-paid United Kingdom first class post or another next working day delivery service providing proof of postage to an address in the United Kingdom, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service; or
 - 24.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
 - 24.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; and
 - 24.1.6 if deemed receipt under the previous paragraphs of this article 24.1 would occur *outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt)*, at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 24.2 To prove service, it is sufficient to prove that:
- 24.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 24.2.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted.
- 24.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 17 or article 18 (as the case may be) may not be served or delivered in electronic form, or by means of a website.
- 24.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.
25. **Indemnity and Insurance**
- 25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 25.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them 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 affairs; and
- 25.1.2 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 25.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 25.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 25.3 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.
- 25.4 In this article:
- 25.4.1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 25.4.2 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 or any pension fund or employees' share scheme of the Company.