

Company number: 10898154

**ELGAR MIDDLETON OPERATIONS LIMITED**

Minutes of a meeting of the shareholders of Elgar Middleton Operations Limited (the "**Company**") held at Dauntsey House, 4b Frederick's Place, Old Jewry, London EC2R 8AB on 4 August 2017 at 10.30 a.m.

<b>PRESENT:</b>	<b>NAME</b>	<b>POSITION</b>
	Simon Middleton	Shareholder of the Company
	Michael Campbell	Shareholder of the Company

**1 Chairperson**

Michael Campbell was appointed chairperson of the meeting and chaired the meeting throughout.

**2 Notice and quorum**

The chairperson reported that consent to holding the general meeting at short notice had been given by all the shareholders in the Company and that a quorum was present. Accordingly, the chairperson declared the meeting open.

**3 Business of the meeting**

The chairperson reported that the purpose of the meeting was to consider and, if deemed fit, to adopt new articles of association of the Company.

**4 Documents produced to the meeting**

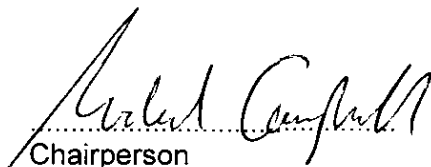
The new articles of association of the Company were produced to the meeting.

**5 Special Resolution**

Having carefully considered the new articles of association of the Company, IT WAS RESOLVED unanimously by the shareholders holding the entire issued shares of the Company that the articles of association be amended by adopting new articles of association as produced to the meeting in substitution for the current articles of association.

**6 Close**

There was no further business and the chairperson declared the meeting closed.

  
Chairperson

4 August 2017

WEDNESDAY



RM      \*R6CGZ51D\*      #1  
09/08/2017  
COMPANIES HOUSE

*Michael Campbell*  
04/08/2017

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ELGAR MIDDLETON OPERATIONS LIMITED

(Adopted by special resolution passed on 4 August 2017)

**Introduction**

**1. Interpretation**

1.1. In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006;

**appointor:** has the meaning given in Article 11(1);

**Articles:** means the company's articles of association for the time being in force;

**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 7.1;

**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);

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

**Valuers:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Seller and by the Continuing Shareholders or, in the absence of agreement between them on the identity of the expert or its terms of appointment, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

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 Act shall have the same meanings in these Articles.

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. 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:

- 1.5.1. any subordinate legislation from time to time made under it; and
- 1.5.2. any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6. 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.
- 1.7. The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.8. Articles 14(1), (2), (3) and (4), of the Model Articles shall not apply to the company.
- 1.9. Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 10," after the word "But".
- 1.10. 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. 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 Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 2.1.1. 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;
- 2.1.2. shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 2.1.3. 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 existing or proposed transaction or arrangement in which he is interested;
- 2.1.4. 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;
- 2.1.5. 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
- 2.1.6. 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

### 3. Directors' conflicts of interest

- 3.1. 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**).
- 3.2. Any authorisation under this Article 3 will be effective only if:
  - 3.2.1. 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 or in such other manner as the directors may determine;
  - 3.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 3.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 3.3. Any authorisation of a Conflict under this Article 3 may (whether at the time of giving the authorisation or subsequently):
  - 3.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 3.3.2. 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;
  - 3.3.3. 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;
  - 3.3.4. impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 3.3.5. 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
  - 3.3.6. 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.
- 3.4. 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.
- 3.5. 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.
- 3.6. 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.

#### **4. Issue of shares**

- 4.1. 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.
- 4.2. If the Company proposes to allot any shares, those shares shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of shares in the Company (each an Offeree) in the respective proportions that the number of shares held by each such holder bears to the total number of shares held by all such holders (as nearly as possible without involving fractions).
- 4.3. An offer made under *Article 4.2* shall:
  - 4.3.1. be in writing and give details of the number and subscription price of the shares being offered; and
  - 4.3.2. remain open for a period of 20 Business Days from the date of service of the offer.
- 4.4. If, on the expiry of an offer made in accordance with *article 4.2*, the total number of shares applied for is less than the total number of shares so offered, the directors shall allot the shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 4.5. [Any shares not accepted by Offerees pursuant to an offer made in accordance with *article 4.2* shall be offered to any other person(s) as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

#### **5. Transfer of shares**

- 5.1. Except where the provisions of articles 6 and 8 apply a shareholder in the company (**Seller**) wishing to transfer shares in the capital of the company (**Sale Shares**) shall give notice in writing (**Transfer Notice**) to the other shareholders excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a deemed Transfer Notice under these articles and/or any shareholders' agreement that may be in place from time to time (each, a **Continuing Shareholder**) specifying the details of the proposed transfer, including the number of Sale Shares comprised within the Transfer Notice, the identity of the proposed buyer(s), the proposed price for each Sale Share (**Proposed Sale Price**) and each Continuing Shareholder's proportionate entitlement to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of ordinary shares held by him bears to the total number of ordinary shares held by the Continuing Shareholders (in respect of each Continuing Shareholder, his **Entitlement**).
- 5.2. Within ten (10) business days of receipt (or deemed receipt) of a Transfer Notice, a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that he wishes to purchase a specified number of Sale Shares up to a maximum of his Entitlement to the Sale Shares at the Proposed Sale Price. A Continuing Shareholder may, in his Acceptance, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Entitlement (**Extra Shares**).
- 5.3. If, on the expiry of the relevant ten (10) business day period referred to in Article 5.2, the total number of Sale Shares applied for is greater than the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated his Entitlement (or such lesser number of Sale Shares for which he has applied) and

applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportion of all the ordinary shares held by each Continuing Shareholder to the total number of ordinary shares held by all the Continuing Shareholders.

- 5.4. Completion of those Sale Shares accepted by Continuing Shareholders under Article 5.2 (and, where, relevant, Article 5.3) shall take place in accordance with Article 8.
- 5.5. In relation to any Sale Shares not accepted by Continuing Shareholders under Article 5.2 (and, where relevant, Article 5.3):
  - 5.5.1. the Seller shall be entitled to transfer those Sale Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Proposed Sale Price; and
  - 5.5.2. the Seller shall procure that any buyer of Sale Shares that is not, immediately prior to completion of the transfer in question, a party to any existing shareholders' agreement with the other shareholders in the company shall, at completion, enter into a deed of adherence with the Continuing Shareholders, agreeing to be bound by the terms of any shareholders' agreement as may be in place at such time, in such form as the Continuing Shareholders may reasonably require (but not so as to oblige the buyer to have any obligations or liabilities greater than those of the Seller).

## 6. Permitted Transfers

- 6.1. A shareholder may at any time after 1 January 2019 transfer (a **Permitted Transfer**) all or some of his shares in the Company to a spouse, civil partner or child (each a **Permitted Transferee**) without being required to carry out the steps in Article 5.

## 7. Drag/Tag along

- 7.1. One or more Sellers proposing to sell more than 60% (sixty) per cent of the issued share capital in the company (being all of such Seller's or Sellers' shares in the company) to a third party purchaser in accordance with Article 5.5, having complied with the provisions of Articles 5.1 to 5.5 (the **Proposed Drag Transferor**), shall have the right, but not the obligation, to demand that the company shall immediately give notice in writing (the **Compulsory Sale Notice**) to each of the other holders of shares in the company (other than the Proposed Drag Transferor), giving the details contained in the Transfer Notice, requiring them each to sell to the third party purchaser of the relevant Sale Shares no later than ten (10) business days from the date of the service of the Compulsory Sale Notice all of their shares for a price per share no less than the price per share specified in the relevant Transfer Notice. Each holder of shares who is given the Compulsory Sale Notice shall sell all of his shares in the company in accordance with such Compulsory Sale Notice to the third party purchaser within five (5) business days from the date of such Compulsory Sale Notice.
- 7.2. No Compulsory Sale Notice shall require the other shareholders to agree to any terms except those specifically set out in this article 7.
- 7.3. If any holder(s) of shares in the company fails to comply with the terms of such Compulsory Sale Notice given to him within five (5) business days, such shareholder shall be deemed to have irrevocably appointed the directors to appoint and authorise any person as attorney to execute any necessary transfers for and on behalf of the relevant holder(s) in favour of the third party purchaser and upon receipt of the purchase money, enter the name of the third party purchaser in the register of members of the company as the holder of the relevant shares in the company and shall hold the purchase money in trust for the holder of shares in default under the

Compulsory Sale Notice. The receipt by the company of the purchase money shall be a good discharge by the third party purchaser and the third party purchaser shall not be bound to see to the application of it. After the name of the third party purchaser has been entered in the register in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article 7.3.

- 7.4. If a Seller has complied with the provisions of Articles 5.2 to 5.5 and is at liberty to make the proposed transfer, any holder of shares in the company (other than the relevant Seller) shall have the right, should they wish to do so, to demand that the relevant Seller must procure that such third party purchaser makes an offer (the **Offer**) to all other holders of shares to acquire all of their shares for a price per share no less than the price per share specified in the Transfer Notice served in accordance with Article 4.3. Such Offer must be expressed to be capable of acceptance for a period of not less than five (5) business days and if it is accepted by any holder of shares (an **Accepting Shareholder**) within that period, the completion of the proposed transfer will be conditional upon the completion of the purchase of all the shares held by any Accepting Shareholder.

## **8. Deemed Transfer**

- 8.1. A shareholder is deemed to have served a Transfer Notice under Article 5.1 immediately before any of the following events of default:

- 8.1.1. the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within (20) Business Days of the other shareholder requiring such remedy; or
- 8.1.2. the appointment of an interim receiver or special manager under the Insolvency Act 1986 (**IA**) in respect of the shareholder; or
- 8.1.3. a Debt Relief Order is made against the Shareholder under s.251C IA; and/or
- 8.1.4. the approval of Proposals for a Voluntary Arrangement and / or a Scheme of Arrangement in respect of the shareholder under Part VIII IA.

- 8.2. The deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- 8.2.1. the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the shares and the Proposed Sale Price shall be the Fair Value of those shares, determined by the Valuers in accordance with Article 7; and
- 8.2.2. if the Continuing Shareholders do not accept the offer of shares comprised in the deemed Transfer Notice in full, the Seller does not have the right to sell the shares to a third party and the Company shall be wound up forthwith upon all of the Continuing Shareholders giving notice in writing to the Company within twenty (20) Business Days from the delivery of the deemed Transfer Notice or written notice of the Fair Value, whichever is the later.

## **9. Completion of share purchase**

- 9.1. Completion of the sale and purchase of shares under Articles 4, 6 and 8 shall take place twenty (20) business days (or such other time as the shareholders may agree in writing) after the date of delivery (or deemed date of delivery) of the Transfer Notice to the Continuing Shareholders.

9.2. At such completion:

9.2.1. the Seller shall deliver, or procure that there is delivered to each Continuing Shareholder who is to purchase Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to him, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Continuing Shareholders or the company may reasonably require to show good title to the shares, or to enable him to be registered as the holder of the shares; and

9.2.2. each relevant Continuing Shareholder shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the Proposed Sale Price for the Sale Shares being transferred to him (or such other method of payment agreed between a Continuing Shareholder and the Seller).

9.3. Any transfer or purported transfer of a share (other than upon transmission of a share pursuant to regulation 28 of the Model Articles upon the death of a Member or upon a person becoming entitled to a share in consequence of the bankruptcy of a Member) made otherwise than in accordance with the provisions of these Articles shall be null and void and of no effect.

9.4. Where the completion of the sale and purchase of shares is pursuant to a deemed Transfer Notice, the Seller irrevocably appoints any Director of the Company to be the Seller's attorney and in his name, on his behalf and as his act and deed to execute any documents and do any things that the Seller is required to do under Article 9.2 in order to give effect to the completion of such sale and purchase of shares.

**10. Fair value**

The **Fair Value** for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

10.1.1. 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;

10.1.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

10.1.3. the sale is to be on arm's length terms between a willing seller and a willing buyer;

10.1.4. the shares are sold free of all restrictions, liens, charges and other encumbrances; and

10.1.5. the sale is taking place on the date the Valuers were requested to determine the Fair Value.

**11. Purchase of own shares**

11.1. Subject to the Act but without prejudice to any other provision of these Articles (including, without limitation, article 13.2(e)), the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

11.1.1. £15,000; and

11.1.2. the value of 5% of the Company's share capital.



## **12. Means of communication to be used**

12.1. Subject to article 12.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- 12.1.1. if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- 12.1.2. if sent by fax, at the time of transmission; or
- 12.1.3. if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- 12.1.4. 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
- 12.1.5. 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; or
- 12.1.6. if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 12.1.7. 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; and
- 12.1.8. if deemed receipt under the previous paragraphs of this article 12.1 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 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.

12.2. To prove service, it is sufficient to prove that:

- 12.2.1. if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 12.2.2. if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 12.2.3. if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 12.2.4. if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

12.3. 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 Act.

## **13. Indemnity and insurance**

13.1. Subject to *article 13.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

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 in the actual or purported execution and/or discharge of his duties, or in relation thereto 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 other Group Company's) affairs; and

- 13.1.1. 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 13.1* and otherwise may take any action to enable such director to avoid incurring such expenditure.
- 13.2. This *article 13* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 13.3. 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.
- 13.4. In this *article 13*:
  - 13.4.1. 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 other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
  - 13.4.2. Relevant Officer means any director or other officer or former director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.