

Company number 06720040

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

ACTIVE INFORMATICS LTD

(the "Company")

4 November 2014 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolutions below are passed as special resolutions (the "Resolutions")

SPECIAL RESOLUTIONS

- 1 THAT, the draft regulations produced to the meeting and, for the purposes of identification, initialled by a director be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association
- 2 THAT the terms of an agreement between the Company and Steven Ainsworth for the purchase by the Company of 401 B ordinary shares of £0.01 each in the capital of the Company as set out in the draft contract attached (the "Purchase Contract") be approved and the Company be authorised to enter into the Purchase Contract

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

The undersigned, being persons entitled to vote on the above Resolution on the Circulation Date, hereby irrevocably agree to the Resolution

Paul Smith

Dated

Michele Smith

Dated

Stewart Lambert

Dated

Paul Krasker

Dated

THURSDAY



A24 *A3Z5UB9N* 15/01/2015 #202
COMPANIES HOUSE

11.11.11

11.11.11

NOTES

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

- **By Hand** delivering the signed copy to the registered office
- **Post** returning the signed copy by post to the registered office

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

- 2 Once you have indicated your agreement to the Resolution, you may not revoke your agreement
- 3 Unless, by 28 days after the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse If you agree to the Resolution, please ensure that your agreement reaches us before or during this date
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

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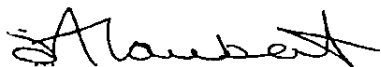
The undersigned, being persons entitled to vote on the above Resolution on the Circulation Date, hereby irrevocably agree to the Resolution

Paul Smith

Dated

Michele Smith

Dated



22/12/14

Stewart Lambert

Dated

Paul Krasker

Dated

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF ACTIVE INFORMATICS LTD

(Adopted by Special Resolution passed on 22 December 2014)

1 Preliminary

1 1 In these Articles the following words have the following meanings

1 1 1 "**A Share**" means a preference share of £0 01 in the capital of the Company designated as an A Share,

1 1 2 "**B Share**" means an ordinary share of £0 01 in the capital of the Company designated as a B Share,

1 1 3 "**the Act**" means the Companies Act 2006,

1 1 4 "**Asset Sale**" means the disposal by the Company of all, or a substantial part of, its business and assets,

1 1 5 "**Available Profits**" means 50% of the profits available for distribution within the meaning of section 830 of the Act,

1 1 6 "**C Share**" means an ordinary share of £0 01 in the capital of the Company designated as a C Share,

1 1 7 "**Controlling Interest**" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 995 of the Income Tax Act 2007,

1 1 8 "**Good Leaver**" means a Leaver who becomes a Leaver for one of the following reasons

- (a) death,
- (b) the suffering of a physical or mental deterioration which, in the opinion of the directors, is sufficiently serious to prevent the relevant person from following his normal employment,
- (c) a dismissal found by a tribunal or court (from which there can be or will be no further appeal) to have been an unfair dismissal
- (d) retirement at normal retirement age,

or a Leaver who becomes a Leaver (other than through dismissal on grounds of misconduct or incapability) more than two years after becoming an employee of the Company or a Leaver who is determined by the holders of 75% of the A Shares to be a Good Leaver,

- 1 1 9 **"Leaver"** means any person whose contract of employment or contract for services with the Company or any subsidiary of the Company terminates for any reason such that he is no longer employed or engaged by the Company or any of its subsidiaries or any person who ceases to be a director of the Company,
- 1 1 10 **"Model Articles"** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of these Articles,
- 1 1 11 **"Relevant Executive"** means a director, an employee of the Company or any subsidiary of the Company or any person who provides consultancy or other services to the Company or a subsidiary of the Company,
- 1 1 12 **"Share Sale"** means the sale of (or the grant of a right to acquire) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those shares (or grantee of that right) acquiring a Controlling Interest in the Company,
- 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 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 these Articles
- 1 8 Articles 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company

- 1 9 Article 7 of the Model Articles shall be amended by the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 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")
- 1 11 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

2 Calling a directors' meeting

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

3 Quorum for directors' meetings

- 3 1 Subject to article 3 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors of which one such eligible director must have been appointed by a holder of A Shares
- 3 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director
- 3 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision
- 3 3 1 to appoint further directors, or
- 3 3 2 to call a general meeting so as to enable the shareholders to appoint further directors

4 Casting vote

If the number of votes for and against a proposal at a meeting of directors is equal, the chairman shall have a casting vote

5 Transactions or other arrangements with the Company

- 5 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- 5 1 1 may be party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
- 5 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- 5 1 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 5 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,
- 5 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
- 5 1 6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

6 Directors' conflicts of interest

- 6 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**")
- 6 2 Any authorisation under this article 6 will be effective only if
 - 6 2 1 to the extent permitted by the Act the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
 - 6 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - 6 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

- 6 3 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

7 Records of decisions to be kept

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

8 Number of directors

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

9 Appointment and removal of alternate directors

- 9 1 Any director ("**Appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

9 1 1 exercise that director's powers, and

9 1 2 carry out that director's responsibilities,

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

- 9 2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors

10 Rights and responsibilities of alternate directors

- 10 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and all meetings of committees of directors of which his appointor is a member

- 10 2 A person who is an alternate director but not a director

10 2 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),

10 2 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate)

- 10 3 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present
- 10 4 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

11 Termination of alternate directorship

- 11 1 An alternate director's appointment as an alternate terminates
 - 11 1 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
 - 11 1 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
 - 11 1 3 on the death of an alternate's appointor, or
 - 11 1 4 when the alternate's appointor's appointment as a director terminates

12 Share capital

- 12 1 Except as otherwise provided in these Articles, the A Shares, B Shares and C Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares
- 12 2 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 (being a corporation) by a duly authorised representative may constitute a meeting

13 Unissued shares

- 13 1 No A Shares nor any right to subscribe for or to convert any security into an A Share shall be allotted or granted after the date of adoption of these Articles
- 13 2 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

- 13 3 Unless otherwise agreed in writing by the shareholders 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 the B Shares (each an "Offeree") on a pari passu basis (as if they constituted shares of the same class) and 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) and on the same terms, and at the same price, as those shares are being, or are to be, offered to any other person
- 13 4 An offer made under Article 13 3 shall
- 13 4 1 be in writing and give details of the number, and subscription price (including any share premium) of the shares being offered,
 - 13 4 2 stipulate that the shares being offered will, when allotted, be B Shares,
 - 13 4 3 remain open for a period of at least 21 days from the date of service of the offer, and
 - 13 4 4 stipulate that any Offeree who wishes to subscribe for a number of shares in excess of the number to which he is entitled under Article 13 3 shall, in his acceptance, state the number of excess shares (**Excess Shares**) for which he wishes to subscribe
- 13 5 If, on the expiry of an offer made in accordance with Article 13 3, 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
- 13 6 Any shares not accepted by Offerees pursuant to an offer made in accordance with Article 13 3 shall be used to satisfy any requests for Excess Shares made pursuant to Article 13 4 3. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of shares held by each such applicant bears to the total number of such shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any shareholder beyond that applied for by him)
- 13 7 If, after completion of the allotments referred to in Articles 13 5 and 13 6 not all of the shares have been allotted, the balance of such shares 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
- 13 8 All new shares allotted to any shareholders pursuant to this Article 13 shall be of the same class as the shares already held by that shareholder

14 Further issue of shares: Authority

- 14 1 Subject to Article 13 and the remaining provisions of this Article 14, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to
- 14 1 1 offer or allot,
 - 14 1 2 grant rights to subscribe for or to convert any security into, or
 - 14 1 3 otherwise deal in, or dispose of,
- any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper
- 14 2 The authority referred to in Article 14 1
- 14 2 1 shall be limited to a maximum nominal amount of £150 00 or such other amount as may from time to time be authorised by the Company by ordinary resolution,
 - 14 2 2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
 - 14 2 3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

15 Share transfers

- 15 1 The directors may in their absolute discretion and without giving any reason refuse to register the transfer of any share whether or not it is a fully paid share provided that the directors will be bound to register the transfer of any share pursuant to articles 15 2 to 16
- 15 2 Any shares (other than any shares in respect of which a Transfer Notice is deemed to have been given under any provision of this Agreement) may at any time be transferred to any person with the consent in writing of all the shareholders of the Company
- 15 3 The holder of A Shares may at any time transfer shares to another holder of A Shares
- 15 4 A shareholder may at any time transfer shares to an employee of the Company pursuant to an employee share scheme which has been adopted by the Company
- 15 5 **Transfer notice**

15 5 1 Any shareholder (the "**Seller**") who intends to transfer any shares ("**Sale Shares**") otherwise than in accordance with articles 15 2, 15 3 or 15 4 must inform the directors of his intention by a written notice ("**Transfer Notice**")

15 5 2 The Transfer Notice must specify

- (a) the number of Sale Shares,
- (b) the proposed price for the Sale Shares, and
- (c) the name and address of the intended transferee

15 6 **Effect of transfer notice**

15 6 1 A Transfer Notice will constitute the Company (by its board of directors) as the Seller's agent for the sale of the Sale Shares (together with all rights then attached to them) on the terms of this article 15

15 6 2 Any sale and/or transfer of shares pursuant to this article is to be on terms that the shares are transferred free from all encumbrances and with the benefit of all rights attaching to them

15 6 3 Within seven days after the receipt of any Transfer Notice, the directors must serve a copy of the Transfer Notice on all the shareholders holding shares other than the Seller

15 6 4 A Transfer Notice is not to be revocable without the written consent of all the shareholders

15 7 **Transfer price**

15 7 1 The price of each of the Sale Shares (the "**Transfer Price**") will be such price as is agreed in writing between all of the shareholders and the Seller or in absence of such agreement within one month of the date of the Transfer Notice such price as is assessed in accordance with article 15 11

15 7 2 The Transfer Price of any C Shares will be £0 01 per share

15 7 3 The Transfer Price will be conclusive and binding on all parties

15 8 **Offers and acceptances**

15 8 1 Within a period of 14 days after the fixing of the Transfer Price the directors must decide whether all the Sale Shares are to be purchased by the Company

15 8 2 If the directors decide that the Company will not purchase the Sale Shares then within a period of 14 days the directors must by written notice offer the Sale Shares to all shareholders (other than the Seller) such offer period to be open for 28 days from the date of the notice (the "**Offer Period**")

- 15 8 3 Any acceptance of an offer pursuant to article 15 8 2 must state the number of Sale Shares which the offeree wishes to purchase at the Transfer Price

15 9 Sale and purchase

- 15 9 1 After the expiration of the Offer Period, and provided that (if the Transfer Notice states that the Transferor is not willing to transfer some only of the Sale Shares) acceptances have been received in respect of all of the Sale Shares, the directors must proceed to divide the Sale Shares among the shareholders who are entitled and willing to purchase them ("**Buyers**")
- 15 9 2 In the case of competition between the shareholders pursuant to article 15 8 3, the division is to be made between each of such shareholders as nearly as possible in proportion to their respective existing holdings of shares at the close of business on the date of the Transfer Notice, except that no shareholder will be bound to accept more Sale Shares than the number of Sale Shares they have agreed to accept as above
- 15 9 3 Any number of Sale Shares not being capable of being divided equally is to be allocated among the Buyers by resolution of the directors .

15 10 Completion

- 15 10 1 On being given written notice by the directors of the division, the Seller will be bound to transfer each of the applicable Sale Shares to the Buyers on payment of the Transfer Price to the directors as agents for the Seller
- 15 10 2 The Buyers are to pay the Transfer Price by direct transfer of cleared funds to a United Kingdom bank account notified to them by the directors
- 15 10 3 In making their determination, the Expert is to disregard the fact that the Sale Shares represent a minority or majority interest in the share capital of the Company
- 15 10 4 The transfer is to be completed at a place and time to be appointed by the directors, not being less than three days nor more than ten days after the date of the directors' notice
- 15 10 5 If the Seller fails to transfer any Sale Shares to the Buyers, the chairman of the board of directors for the time being, or failing him another person nominated for that purpose by the board of directors, will be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller a transfer or transfers of the Sale Shares to the Buyers
- 15 10 6 On the completion of the transfer, the directors must pay the consideration to the Seller and (subject to due stamping) register the transfer(s)

15 11 Price in default of agreement

- 15 11 1 The directors and the Seller are as soon as practicable after the serving of the Transfer Notice to agree on the appointment of an independent chartered accountant (the “**Expert**”) to assess the Transfer Price as the fair value of the Sale Shares (the “**Fair Value**”) on a going concern basis as between a willing buyer and a willing seller contracting on arm’s length terms and on the assumption that the Sale Shares are capable of transfer without restriction
- 15 11 2 If the directors and the Seller are unable to agree on an Expert within seven days of either party serving details of a suggested expert on the other, either the directors or the Seller will be entitled to request the President of the Institute of Chartered Accountants in England and Wales to appoint an Expert who is an accountant of repute with experience in the valuation of private companies limited by shares
- 15 11 3 In making his determination, the Expert is not to have regard to the fact that the Sale Shares to be valued represent a minority or a majority interest in the share capital of the Company
- 15 11 4 The directors are to take all reasonable steps to procure that the Expert determines the Fair Value within 56 days of being instructed to do so
- 15 11 5 The Expert is to act as an expert and not as an arbitrator and his determination is to be final and binding on the members (in the absence of fraud or manifest error)
- 15 11 6 The Expert’s costs (including disbursements and value added tax) are to be paid by the Seller
- 15 11 7 The Expert is to be given access to all accounting records and other relevant documents of the Company and all such other facilities and information as they may reasonably require for the purposes of their determination, on a confidential basis where appropriate

15 12 **Pre-emption rights not taken up**

If, in accordance with the foregoing, the directors have not by the expiration of the Offer Period received acceptances from the shareholders for all the Sale Shares then the Seller will be at liberty, within one month after the expiration of the Offer Period, to transfer all (but not part) of the Sale Shares to the intended transferee named in the Transfer Notice at a price not being less than the Transfer Price

15 13 **Interpretation**

In this article 15

- 15 13 1 references to transferring shares or the sale of shares include the disposal of any interest in, and the grant of contractual rights or options over or in respect of, such shares, and

15 13 2 references to **"Seller"** will be construed, in relation to any deceased or bankrupt member, as a reference to his legal representatives

16 Deemed transfers

16 1 For the purposes of this article 16, the following will be deemed to be a **"Relevant Event"** in relation to any shareholder who holds B Shares except for Paul Smith and Michele Smith

16 1 1 the death of the shareholder,

16 1 2 the bankruptcy of a shareholder,

16 1 3 a shareholder who is a Relevant Executive becoming a Leaver at any time

16 2 If a Relevant Event occurs

16 2 1 under article 16 1 1 or 16 1 2 or 16 1 3 then (unless the holders of 75% of the A Shares give written consent to them retaining their shares) the member concerned will be deemed immediately prior to the event to have given a Transfer Notice in respect of all shares held by that member and any Transfer Notice served by that Member prior to the event shall be deemed to be revoked ,

16 3 If any Transfer Notice is deemed to have been given under article 16 2

16 3 1 the deemed Transfer Notice will take effect on the basis that it does not state a price for the Sale Shares or identify a proposed purchaser,

16 3 2 subject to article 16 4 the price of the Sale Shares will be the Transfer Price calculated in accordance with article 15 7 1,

16 3 3 if the offer in the deemed Transfer Notice is not accepted, the Seller will not have the right to sell the Sale Shares to a third party, or issue a Transfer Notice under article 15 5 1 in relation to such Sale Shares

16 4 If a transfer notice is deemed to have been given under article 16 2 and the Seller is not a Good Leaver then the Transfer Price shall be the lower of the original subscription price of the Sale Shares and the Fair Value as assessed in accordance with Article 15 11

16 5 If a Transfer Notice in respect of any share is deemed to have been given under this article 16 and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to it, the directors will be deemed to have received the Transfer Notice on the date on which the directors (as a whole) actually become aware of the facts giving rise to it The provisions of this article 16 are to apply accordingly

17 Dividends

17 1 In any financial year, the Available Profits of the Company shall be used to pay dividends as set out in this Article 17

- 17 2 The Company shall without resolution of the Board or the Company in general meeting pay the holders of the A Shares a fixed cumulative preferential dividend ("**Preferred Dividend**") of £72,000 in aggregate per annum payable in twelve monthly instalments on the last day of each month
- 17 3 After payment of the Preferred Dividend the Company may distribute any Available Profits remaining among the holders of the B Shares
- 17 4 No further or additional dividends shall be payable without the consent of all the shareholders Any such further or additional dividends may be paid to one or more classes of shares to the exclusion of the other classes or in respect of all classes of shares and may differentiate between classes of shares as to the amount or percentage of dividend
- 17 5 Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares held by them
- 17 6 If the Company is unable to pay the Preferred Dividend in full on the due date it shall pay the Preferred Dividend on that date to the extent that it is lawfully able to do so
- 17 7 If the Preferred Dividend is not paid on its due date then it shall immediately become a debt due by the Company and shall be payable in priority to any other dividend All accrued but unpaid dividends shall be paid immediately prior to any Exit

18 Return of Capital

- 18 1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority
 - 18 1 1 first, in paying to the holders of the A Shares £500,000 00 in aggregate, together with a sum equal to any arrears of the Preferred Dividend calculated down to and including the date of the return of capital and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of the A Shares in full, the proceeds shall be distributed to the holders of the A Shares pro rata to the number of A Shares held by them
 - 18 1 2 second in paying to the holders of the B Shares £1,000,000 per B Share pro rata to the number of B Shares held by them and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of the B Shares in full, the proceeds shall be distributed to the holders of the B Shares pro rata to the number of B Shares held by them,
 - 18 1 3 third in paying to the holders of the C Shares £0 01 per C Share,

18 1 4 fourth in distributing the balance amongst the holders of the B Shares pro rata to the number of B Shares held by them

19 Exit Provisions

19 1 The proceeds of a Share Sale shall be distributed in the order of priority set out in Article 18. The directors shall not register any transfer of shares if the proceeds of sale are not distributed in that manner (save in respect of any shares not sold in connection with that Share Sale)

19 2 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in Article 18

20 Purchase of own shares

20 1 Subject to the Act but without prejudice to any other provision of these Articles, 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

20 1 1 £15,000, and

20 1 2 the value of 5% of the Company's share capital

21 Quorum for General Meetings

The quorum at any general meeting of the Company, or adjourned general meeting, shall be any two shareholders present in person or by proxy

22 Voting at General Meetings

22 1 The holders of the B Shares shall be entitled to one vote for every B Share held by them

22 2 Subject to article 22 3 the holders of the A Shares shall in aggregate be entitled to the number of votes which is equivalent to 20% of the total number of votes which may be cast in aggregate by the holders of the B Shares and the holders of the A Shares. The votes may be cast pro-rata to the number of A Shares held by each holder of A Shares

22 3 If the Preferred Dividend is in arrears the holders of the A Shares shall be entitled to one vote for every A Share held by them

22 4 The C Shares shall not entitle the holders to vote at any general meeting of the Company

22 5 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

- 22 6 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 Means of communication to be used

- 23 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

23 1 1 if properly addressed and sent by pre-paid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),

23 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

23 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

23 1 4 if sent or supplied by means of a website, when the material is first available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

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

- 23 2 In providing that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

24 Indemnity

- 24 1 Subject to article 24 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

24 1 1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

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

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

24 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 23(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

24 2 This article 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

24 3 In this article

24 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

24 3 2 a "relevant officer" means any director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

25 Insurance

25 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

25 2 In this article

25 2 1 a "relevant officer" means any director or other officers of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

25 2 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

25 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate