

THE COMPANIES ACT 2006

WRITTEN SPECIAL RESOLUTIONS OF

THE LEEDS WELDING COMPANY LIMITED

COMPANY NUMBER: 00388598

THURSDAY



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14/01/2016

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COMPANIES HOUSE

By written resolution of the members pursuant to Sections 288 to 300 of the Companies Act 2006 the following Special Resolutions were passed on 18 December 2015

It is resolved

1. THAT 23 of the 'A' Ordinary shares of £1 each of the Company, held by Timothy Paul Archer, and which are issued and fully paid up, be converted into, and re-designated as, 23 Ordinary shares of £1 each having the rights and being subject to the conditions set out in the Articles of Association of the company, as adopted by resolution of even date
2. THAT 59 of the 'A' Ordinary shares of £1 each of the Company, held by Timothy Paul Archer, and which are issued and fully paid up, be converted into, and re-designated as, 59 'E' Ordinary shares of £1 each having the rights and being subject to the conditions set out in the Articles of Association of the company, as adopted by resolution of even date
3. THAT 23 of the 'B' Ordinary shares of £1 each of the Company, held by Gaynor Archer, and which are issued and fully paid up, be converted into, and re-designated as, 23 Ordinary shares of £1 each having the rights and being subject to the conditions set out in the Articles of Association of the company, as adopted by resolution of even date
4. THAT 59 of the 'B' Ordinary shares of £1 each of the Company, held by Gaynor Archer, and which are issued and fully paid up, be converted into, and re-designated as, 59 'F' Ordinary shares of £1 each having the rights and being subject to the conditions set out in the Articles of Association of the company, as adopted by resolution of even date
5. THAT the draft Articles of Association, as attached hereto and for the purpose of identification marked "A", be and are hereby adopted as the new Articles of Association of the Company, in substitution for and to the exclusion of the current Articles of Association including all provisions in the current Memorandum of Association that now, pursuant to section 28 of the Companies Act 2006, are deemed to form part of the Articles of Association

Signed JR V chur Director/Secretary

Presentor

York Place
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW
Tel 0113 2245 450

'A'

Companies Act 2006

Private Company Limited By Shares

Articles of Association of

The Leeds Welding Company Limited

1 Model Articles

1 1 The Model Articles shall apply to the Company, except insofar 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

1 2 The whole of Model Articles 11 (2), 11 (3), 12, 13, 14(1), 14(2), 14(3), 14(4), 14(5), 21, 26(5), 30(5), 30(6), 30(7), 42, 44(2), 51, 52 and 53 shall not apply to the Company

2 Definitions and Interpretation

2 1 In these Articles, unless the context otherwise requires the following expressions shall have the following meanings

Accepting Shareholders shall be defined as in Article 11 1,

Affected Shares shall be as defined in Article 8 4 1,

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

Articles means these articles of association of the Company as constituted under Article 1 1 (as amended from time to time),

A Share Director means a Director appointed by the A Shareholder by notice to the Company from time to time,

A Shareholder the holder of the majority of the A Ordinary Shares in issue from time to time,

A Shareholder Consent or A Shareholder Direction means the giving of a written consent or direction by the A Shareholder from time to time,

Bad Leaver means a Leaver who is not a Good Leaver,

Board means the board of directors of the Company from time to time,

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

Business Day means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London,

Call shall be as defined In Article 15 1,

Call Notice shall be as defined in Article 15 1,

Call Payment Date shall be as defined in Article 16 1,

Companies Act means the Companies Act 2006,

Confidential Information means all information (whether oral or recorded in any medium) relating to the Company's business, financial or other affairs (including future plans of the Company) which is treated by the Company as confidential (or is marked or is by its nature confidential),

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

Defaulting Shareholder shall be as defined in Article 8 4,

Director means a director of the Company from time to time,

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

Drag Along Notice shall be as defined in Article 11 1,

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

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

Fair Value shall be as defined in Article 10 6,

Family Member means, in relation to a Relevant Employee, his spouse and/or any one or more of his children (including step-children),

Family Trust means, in relation to a Relevant Employee, a trust or settlement set up wholly for the benefit of that person and/or his Family Members,

Garden Leave means any period during which the Company, in respect of an employee and pursuant to the service contract between the Company and that employee, ceases or has ceased to provide that employee with work, and withdraws or has withdrawn his right of access to any premises of the Company,

Good Leaver means a person who

- (a) suffers a physical or mental deterioration which, in the opinion of the Board, is sufficiently serious to prevent the relevant person from following his normal employment or which seriously prejudices his earning capacity,
- (b) retires at the age of at least 60 years old, or
- (c) the A Shareholder determines in his absolute discretion to be a Good Leaver,

Independent Expert means a partner of at least 10 years' standing at a leading UK firm of accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales,

Issue Price means the price at which the relevant Share is issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value thereof and any share premium thereon,

Leaver means

- (a) any Ordinary Shareholder who ceases, or has ceased, to be a Relevant Employee, provided that, for these purposes, an Ordinary Shareholder shall be deemed to cease, or have ceased, to be a Relevant Employee upon the commencement of any period during which the relevant individual is placed on Garden Leave pursuant to his service contract with the Company, notwithstanding that the relevant individual remains an employee of the Company,
- (b) any Ordinary Shareholder who is (or is the nominee of) a Family Member of any person who ceases to be a Relevant Employee,
- (c) any Ordinary Shareholder who is (or is the nominee of) the trustee of a Family Trust of any person who ceases to be a Relevant Employee in respect of the Shares held on behalf of such person or on behalf of any Family Member of such person,
- (d) any Ordinary Shareholder holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Ordinary Shareholder was a permitted transferee under the provisions of Article 9 (Permitted Share Transfers) who ceases to be a permitted transferee in relation to such person, including, without limitation, any Ordinary Shareholder who ceases to be the spouse of a Relevant Employee,
- (e) any person who holds or becomes entitled to any Shares
 - (i) following the death of an Ordinary Shareholder,
 - (ii) following the bankruptcy of an Ordinary Shareholder (if an individual) or the

receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of an Ordinary Shareholder (if a company), or

- (iii) following the exercise of an option after ceasing to be a Relevant Employee, or
- (f) any Ordinary Shareholder holding Shares as a nominee for any person who ceases, or who has ceased to be a Relevant Employee in respect of the Shares held on behalf of such person,

Leaver's Shares means all of the Shares held by a Leaver, or to which he is entitled, on the Leaving Date and any Shares acquired by a Leaver after the Leaving Date under an employee share scheme,

Leaving Date means the date on which the relevant person becomes a Leaver, Lien Enforcement Notice means a reference to a notice in writing which complies with the requirements of Article 14 5,

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

Ordinary Shares means the ordinary shares of £1 each in the capital of the Company, Ordinary Shareholder means a holder of Ordinary Shares from time to time, Other Shareholders shall be as defined in Article 11 1,

Proposed Buyer shall be as defined in Article 12 1,

Proposed Sale shall be as defined in Article 12 1,

Proposed Seller shall be as defined in Article 12 1,

Rate means the annual rate of 2% above the base lending rate from time to time set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998, calculated on a daily basis over a 365-day year from and including the date any sum becomes due to the actual date of payment compounded at the end of each calendar month,

Relevant Employee means

- (a) an employee of the Company, or
- (b) a Director,

other than, in either case, for the purposes of Article 10 (Leavers), an A Share Director or holder of A Ordinary Shares,

Reserved Matter means

- (a) a material change in the nature or scope of the Company's business,
- (b) the purchase or hire purchase of an asset involving capital expenditure of more than £20,000,
- (c) the incorporation of any Subsidiary undertaking,
- (d) the forming, entering into, terminating or withdrawal from any joint venture,
- (e) the entering into or increasing or extending any liability under any guarantee or indemnity other than in the ordinary course of business,
- (f) the appointment or termination of appointment of a Director, or
- (g) any other matter which falls outside of the ordinary course of business of the Company

RPI means the "all Items" index of the Retail Prices Index published monthly by the Office for National Statistics or any successor or replacement agency or government department,

Sale means the sale of the whole of the issued equity share capital of the Company to a single buyer or to one or more buyers as part of a single transaction,

Sale Notice shall be as defined in Article 10 2,

Share means share in the capital of the Company,

Shareholder means any holder of any share from time to time,

Shareholder Communication means any notice, resolution, document or information which the Company wishes or is required to communicate with Shareholders or other persons,

Tag Along Notice shall be as defined in Article 12 1,

Third Party shall be as defined in Article 11 1, and

Third Party Offer shall be as defined in Article 11 1

2 2 Unless the context otherwise requires

2 2 1 each gender includes the other,

2 2 2 the Singular includes the plural and vice versa,

2 2 3 references to persons include individuals, unincorporated bodies and partnerships (whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees,

2 2 4 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation',

2 2 5 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible,

2 2 6 the contents table and the descriptive headings to provisions in these Articles are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of these Articles,

2 2 7 references to legislation include any modification or re-enactment thereof,

2 2 8 references to 'writing' or 'written' include any method of reproducing words in a legible and non-transitory form excluding faxes and email,

2 2 9 a person shall be deemed to be 'connected' with another if that person is connected with such other within the meaning of section 1122 of the Corporation Tax Act 2010,

2 2 10 the term 'acting in concert' shall have the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers

3 **A Share Director**

3 1 The A Shareholder from time to time may appoint any person of his choosing to be a Director from time to time by giving notice to the Company

3 2 The A Shareholder may remove or replace any A Share Director upon giving notice to the Company at any time

4 **Alternate Directors**

4 1 A Director (other than an alternate director) may appoint any other Director or (in the case of an A Share Director) any other person whomsoever, to be an alternate director and may remove from office an alternate director so appointed

4 2 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum

4 3 Any Director who is appointed an alternate director shall be entitled to vote at a meeting of the Board on behalf of the Director so appointing him in addition to being entitled to vote in his own capacity as a Director and shall also be considered as two Directors for the purpose of making a quorum of Directors unless he is the only individual present

5 Proceedings of Directors

- 5 1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Subject to Article 5 6, any three Directors (of whom, in respect of meetings where a Reserved Matter is to be considered, at least one shall be an A Share Director) shall constitute a quorum and a quorum of Directors must be present throughout all meetings of the Board.
- 5 2 Where, pursuant to the Companies Act or these Articles or otherwise, in relation to a matter being considered at a meeting of Directors or of a committee of Directors, a Director cannot count towards the quorum and, if he votes, his vote will not be counted, the other Director or Directors present, whatever their number and their designations, shall constitute a quorum for the purposes of considering that matter only.
- 5 3 The Chairman of the meeting shall not have a second or casting vote, in the case of an equality of votes.
- 5 4 Any Director or alternate director may validly participate in a meeting of the Board through telephone conference or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Companies Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of Directors is not physically present in the same place. If the Directors cannot or do not decide upon where such a meeting shall be deemed to take place, then it shall be where the Chairman of the meeting then is located.
- 5 5 If a situation arises or exists in which a Director has or could have a direct or indirect interest that conflicts, or may potentially conflict, with the interests of the Company (other than an interest arising in relation to a transaction or arrangement with the Company or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest), without prejudice to the provisions of Articles 5 6 to 5 7, the Director concerned, or any other Director, may propose to the Board that such situation be authorised, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the board, in each case setting out particulars of the relevant situation. Subject to the Companies Act, the Directors may authorise such situation and the continuing performance by the relevant Director of his duties as a Director on such terms as they may think fit.
- 5 6 The relevant Director shall not be counted in the quorum at the relevant meeting of the Directors to authorise such situation nor be entitled to vote on the resolution authorising such situation.
- 5 7 No contract entered into shall be liable to be avoided by virtue of any Director having an interest of the type referred to in Article 5 5 where the relevant situation has been approved as provided by that Article.
- 5 8 The provisions of Articles 5 5 to 5 7 shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this Article 5 8 and Article 5 9 shall so apply. Any Director may be interested in an existing or proposed transaction or arrangement with the Company provided that he complies with the Companies Act.
- 5 9 Without prejudice to the obligation of each Director to declare an interest in accordance with the Companies Act, a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty. Having so declared any such interest or duty he may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted.

6 Share Capital and variation of class rights

- 6 1 The share capital of the company shall be divided into ordinary shares of £1 each, 'A' ordinary shares of £1 each, 'B' ordinary shares of £1 each, 'C' ordinary shares of £1 each, 'D' ordinary shares of £1 each, 'E' ordinary shares of £1 each and 'F' ordinary shares of £1 each and all classes of shares shall rank *pari passu*.
- 6 2 Whenever the capital of the company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the company is a going concern or during or in contemplation of a winding up, with the consent of the holders of the issued shares of that class given in accordance with the following article.
- 6 3 The consent of the holders of a class of shares may be given by

- 6 3 1 a special resolution passed at a separate general meeting of the holders of the issued shares of that class, or
 - 6 3 2 a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued shares of that class, but not otherwise
- 6 4 To every such meeting, all the provisions of these articles and the Companies Act 2006 relating to general meetings of the company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class, so that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and so that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned meeting of such holders such a quorum as aforesaid is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum
- 6A **Further issues of shares: authority**
 - 6A 1 The following paragraphs of this article shall not apply to a private company with only one class of shares
 - 6A 2 Subject to the preceding paragraph and save to the extent authorised by these articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company
 - 6A 3 Subject to the remaining provisions of this article and to the following article (Further issues of shares pre-emption rights) and to any directions which may be given by the company in general meeting, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Companies Act 2006 to exercise any power of the company to
 - 6A 3 1 offer or allot,
 - 6A 3 2 grant rights to subscribe for or to convert any security into,
 - 6A 3 3 otherwise create, 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
 - 6A 4 The authority referred to in this article
 - 6A 4 1 shall be limited to a maximum nominal amount of £1,000 for ordinary shares, £1,000 for 'A' ordinary shares, £1,000 for 'B' ordinary shares, £1,000 for 'C' ordinary shares, £1,000 for 'D' ordinary shares, £1,000 for 'E' ordinary shares and £1,000 for 'F' ordinary shares,
 - 6A 4 2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution, and
 - 6A 4 3 may only be exercised for a period of five years commencing on the date on which the company is incorporated or these articles are adopted whichever is the later, 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)
- 7 **Further issues of shares: pre-emption rights**
 - 7 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
 - 7 2 Unless otherwise agreed by all Shareholders, if the Company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions). The offer
 - 7 2 1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and
 - 7 2 2 may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state

the number of excess equity securities (Excess Securities) for which he wishes to subscribe

7 3 Any equity securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 7 2 shall be used for satisfying any requests for Excess Securities made pursuant to article 7 2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with article 7 2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.

7 4 Subject to articles 7 2 and 7 3, and to section 551 of the Act, any equity securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

8 Prohibited Share Transfers

8 1 In these Articles, a reference to the transfer of a Share shall mean either or both

8 1 1 the transfer of either or both of the legal and beneficial ownership in the Share, and

8 1 2 the grant of an option to acquire either or both of the legal and beneficial ownership in the Share.

8 2 The following shall be deemed, without limitation, to be a transfer of a share

8 2 1 any sale or other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing,

8 2 2 any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or issue of any share that such share be allotted or issued to some person other than himself, and

8 2 3 any grant of a legal or equitable mortgage or charge over any share.

8 3 Any person who holds, or becomes entitled to, any share shall not, without A Shareholder Consent, effect a transfer of such shares, except in accordance with Article 9 (Permitted Share Transfers), Article 10 (Leavers), Article 11 (Drag Along) or Article 12 (Tag Along).

8 4 The Company shall, upon receiving an A Shareholder Direction, request any Shareholder or Leaver who has made, or is proposing or required to make, a transfer of Shares to provide to the Company information or evidence as to the Shareholder's or Leaver's compliance with Article 8 3 in respect of such transfer. If such information or evidence is not provided to the Board within five Business Days of the request being made, then the Board shall forthwith upon receipt of an A Shareholder Director notify the relevant Shareholder or Leaver (Defaulting Shareholder) that a breach of the transfer provisions of these Articles is deemed to have occurred, in which case

8 4 1 the Company shall refuse to register any transfer of the Shares which the Defaulting Shareholder holds or to which he is entitled and any Shares formerly held by him which have been transferred in breach of Article 8 3 or in accordance with Article 9 (Permitted Share Transfers) (Affected Shares), unless A Shareholder Consent to allow such registration is provided,

8 4 2 the Affected Shares, and any further shares issued pursuant to the exercise of a right attaching to the Relevant Shares or in pursuance of an offer made to the holder of the Relevant Shares, shall cease to confer any rights

8 4 2 1 to vote (in any general meeting or class meeting), or

8 4 2 2 to receive dividends or other distributions,

until the completion of the transfer contemplated by Article 8 4 3, and

8 4 3 if the Defaulting Shareholder is not a Leaver, he shall (upon an A Shareholder Direction) forthwith be treated as a Leaver, or if no such A Shareholder Direction is made, he may be required at any time following such notice to transfer (or procure the transfer of) some or all of the Affected Shares to such person(s) at a price determined by the Board with A Shareholder Consent or as directed by an A Shareholder Direction.

9 **Permitted Share Transfers**

9 1 Notwithstanding the provisions of Article 8 (Prohibited Share Transfers)

9 1 1 any Shareholder who is a trustee of a Family Trust may at any time transfer any Share which he holds in that capacity to

9 1 1 1 the new or remaining trustees of the Family Trust upon any change of trustees, and

9 1 1 2 any person or any of his Family Members on their becoming entitled to the same under the terms of the Family Trust, and

9 1 2 any Shareholder holding shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of this Article may at any time transfer any Share to the person who originally transferred such Shares (or to any other permitted transferee of such original transferor)

9 2 Subject to Article 8 4, the Company shall be obliged to register any transfer made pursuant to the above provisions

10 **Leavers**

10 1 The provisions of this Article shall apply to any Leaver and to any Leaver's Shares

10 2 If a Relevant Employee becomes a Leaver, then at any time within one year from the Leaving Date, the A Shareholder may direct the Company immediately to serve a notice on the Leaver notifying him that he is, with immediate effect, deemed to have offered such number and class of his Leaver's Shares to such person(s) (including the Company) as may be specified by the A Shareholder (Sale Notice)

10 3 On receipt of a Sale Notice, the Leaver shall be obliged to immediately transfer, at the Sale Price as determined in accordance with Article 10 5, such number of his Leaver's Shares to the person(s) specified in the Sale Notice Completion of the sale and purchase of the Leaver's Shares in accordance with the Sale Notice shall take place within 10 Business Days of the date of the Sale Notice at which time the Leaver shall transfer the relevant Leaver's Shares to the person(s) specified in the Sale Notice and deliver the relevant Share certificates against payment of the Sale Price for such Shares

10 4 If the Leaver defaults in transferring any Leaver's Shares pursuant to Article 10 3 in circumstances where the Company

10 4 1 does not acquire the Leaver's Shares, the Company

10 4 1 1 may receive the relevant purchase money,

10 4 1 2 may nominate some person to execute an instrument of transfer of the Leaver's Shares in the name and on behalf of the Leaver,

10 4 1 3 shall cause the name of the proposed transferee to be entered in the register of members as the holder of such Leaver's Shares when the instrument of transfer has been duly stamped (if required),

10 4 1 4 shall hold the purchase money on trust (without interest) for the Leaver, the receipt of the Company for the purchase money being a good discharge to the proposed transferee (who shall not be bound to see to the application of the purchase money), and

10 4 2 does acquire the Leaver's Shares, the Company

10 4 2 1 may nominate some person to execute an instrument of transfer of the Leaver's Shares in the name and on behalf of the Leaver,

10 4 2 2 shall cause such share capital to be cancelled in accordance with the Companies Acts when such instrument has been duly stamped (if required), and

10 4 2 3 shall hold the purchase money on trust (without interest) for the Leaver,

in each case after the Leaver's Shares have been transferred on the register or cancelled, as the case may be, the validity of the proceedings shall not be questioned by any person

- 10 5 The Sale Price shall be, in the case of a
- 10 5 1 Good Leaver, the aggregate Fair Value of the Leaver's Shares, and
- 10 5 2 Bad Leaver, the aggregate of the issue Price paid by the Leaver for the Leaver's Shares (and, in respect of any Shares that were acquired by the Leaver rather than subscribed for by the Leaver, the acquisition price for those Shares), subject to increase, on each anniversary of the date that such Leaver's Shares were acquired, by an amount equal to the average RPI over the twelve months immediately prior to such anniversary
- 10 6 For the purposes of Article 10 5, Fair Value means such price as the transferor and the Company shall agree within 10 Business Days of the date of the deemed Sale Notice or, failing such agreement, as determined by the Independent Expert, in which case
- 10 6 1 the Company shall immediately instruct the Independent Expert to determine the Fair Value on the basis which, in his opinion, represents a fair price for the Leaver's Shares at the Leaving Date as between a willing seller and a willing buyer, but shall not take account of whether the Leaver's Shares comprise a majority or minority interest in the Company and the fact that their transferability is restricted by these Articles,
- 10 6 2 the Independent Expert shall act as an expert and not an arbitrator (and the Arbitration Act 1996 shall not apply),
- 10 6 3 the Independent Expert shall certify the Fair Value as soon as possible after being instructed to do so and such certificate shall be final and binding (in the absence of manifest error), and
- 10 6 4 the costs and expenses of the Independent Expert shall be borne by the Company
- 11 **Drag Along**
- 11 1 If any Shareholder receives an offer in writing from a bona fide third party (**Third Party**) to purchase the entire equity share capital in the Company not already owned by the Third Party (**Third Party Offer**) and the holders of at least 51 % of the issued Shares accept the Third Party Offer (**Accepting Shareholders**), the Accepting Shareholders are entitled to issue to the remaining Shareholders (**Other Shareholders**) written notice (**Drag Along Notice**) requiring the Other Shareholders to sell to the Third Party all of the Other Shareholders' Shares upon the terms and conditions specified in the Drag Along Notice
- 11 2 The terms on which the Accepting Shareholders require the Other Shareholders to sell their Shares must be no less favorable than the terms on which the Accepting Shareholders are selling their Shares to the Third Party
- 11 3 The Drag Along Notice must specify
- 11 3 1 the details of the Third Party,
- 11 3 2 the price payable for each Share and other consideration (if any) to be received (directly or indirectly) by the Accepting Shareholders (or some of them), and
- 11 3 3 any other material terms upon which the Other Shareholders' Shares shall be purchased pursuant to the Drag Along Notice
- 11 4 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the Shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Third Party (or his nominee) and register such Third Party (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person
- 11 5 The Other Shareholders are not obliged to sell their Shares in accordance with this Article 11 If the Accepting Shareholders do not complete the sale of all their Shares to the Third Party on the same terms and conditions set out in the Drag Along Notice
- 12 **Tag Along**
- 12 1 If at any time one or more Shareholders (Proposed Sellers) propose to sell to a bona fide third party (the Proposed Buyer), in one or a series of related transactions, such number of Shares which when registered would result in that person (together with persons connected or acting in concert with him)

holding or increasing his holding to 51 % or more of the issued equity share capital of the Company (Proposed Sale), the Proposed Sellers shall give written notice (Tag Along Notice) to the other holders of Shares of the Proposed Sale at least 10 Business Days prior to the proposed date of completion thereof

12 2 The Tag Along Notice must specify

12 2 1 the details of the Proposed Buyer,

12 2 2 the sale price for each Share and other consideration (if any) to be received (directly or indirectly) by the Selling Shareholders (or some of them), and

12 2 3 any other material terms upon which the Shares are to be purchased

12 3 The Proposed Sale may not be completed unless the Proposed Buyer has unconditionally offered to buy all the other issued Shares (other than any Shares already owned by the Proposed Buyer or persons connected or acting in concert with him) on the same terms and conditions as apply to the Proposed Sale. Such offer shall remain open for acceptance for not less than 21 days

12 4 The provisions of this Article 12 shall not apply to any Proposed Sale which is a Permitted Transfer under Article 9 or which is to take place pursuant to a Third Party Offer under Article 11

13 **Power of Attorney**

Each Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this Power of Attorney) to give effect to the provisions of these Articles

14 **Lien**

14 1 The Company has a lien over every Share registered in the name of a person indebted or under liability to the Company, whether he is the sole registered holder of the Share or one of two or more joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

14 2 The Company's lien over a Share takes priority over any third party's interest in that Share and extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

14 3 The Directors may, with A Shareholder Consent, at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

14 4 Subject to the provisions of this Article 14, if a Lien Enforcement Notice has been given in respect of a Share and the person to whom the notice was given has failed to comply with it, the Company may sell that Share in such manner as the Directors decide

14 5 A Lien Enforcement Notice

14 5 1 may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

14 5 2 must specify the Share concerned,

14 5 3 must require payment of the sum payable within 10 Business Days of the notice,

14 5 4 must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and

14 5 5 must state the Company's intention to sell the Share if the notice is not complied with

14 6 Where Shares are sold pursuant to the provisions of this Article 14

14 6 1 the Directors may authorise any person to execute an Instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser,

14 6 2 the transferee is not bound to see to the application of the consideration, and

14 6 3 the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

14 7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

14 7 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and

14 7 2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable in respect of the Shares after the date of the Lien Enforcement Notice

14 8 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and, subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

15 **Calls on Shares**

15 1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (**Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (**Call**) which is payable in respect of Shares which that Shareholder holds at the date when the Directors decide to send the Call Notice

15 2 A Call Notice

15 2 1 may not require a Shareholder to pay a Call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium),

15 2 2 must state when and how any Call to which it relates it is to be paid, and

15 2 3 may permit or require the Call to be paid by instalments

15 3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 days have passed since the notice was sent

15 4 Before the Company has received any Call due under a Call Notice the Directors may, by a further notice in writing to the relevant Shareholder, revoke it wholly or in part or specify a later time for payment than is specified in the Call Notice

15 5 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid

15 6 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share

15 7 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to pay Calls which are not the same or at different times

15 8 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium)

15 8 1 on allotment,

15 8 2 on the occurrence of a particular event, or

15 8 3 on a date fixed by or in accordance with the terms of issue,

but if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

16 **Forfeiture**

16 1 If a person is liable to pay a Call and falls to do so by the date stated in the Call Notice (**Call Payment Date**) the Directors may issue a notice of intended forfeiture to that person and, until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Rate

16 2 The Directors may waive any obligation to pay interest on a Call wholly or in part

- 16 3 A notice of intended forfeiture
- 16 3 1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,
- 16 3 2 must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- 16 3 3 must require payment of the Call and any accrued interest by a date which is not less than 14 days after the date of the notice,
- 16 3 4 must state how the payment is to be made, and
- 16 3 5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited
- 16 4 If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required in the notice of intended forfeiture, the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture
- 16 5 Subject to these Articles, the forfeiture of a Share extinguishes all interests in that Share, and all claims and demands against the Company in respect of it, and all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company
- 16 6 Any Share which is forfeited in accordance with the Articles is deemed to have been forfeited when the Directors decide that it is forfeited and shall become the property of the Company, and may be sold, re-allotted or otherwise disposed of as the Directors think fit
- 16 7 If a person's Shares have been forfeited
- 16 7 1 the Company must send that person notice that forfeiture has occurred and record it in the register of Shareholders,
- 16 7 2 that person ceases to be a Shareholder in respect of those Shares,
- 16 7 3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation,
- 16 7 4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
- 16 7 5 the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal
- 16 8 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls and interest due in respect of it and on such other terms as they think fit
- 16 9 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer
- 16 10 A statutory declaration by a Director that the declarant is a Director and that a Share has been forfeited on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and, subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share
- 16 11 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share
- 16 12 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which
- 16 12 1 was, or would have become, payable, and
- 16 12 2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

16 12 3 but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

16 13 A Shareholder may surrender any Share which has been forfeited or in respect of the Directors may issue a notice of intended forfeiture or the Directors may forfeit. The Directors may accept the surrender of any such Share and the effect of surrender on a Share is the same as the effect of forfeiture on that Share. A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

17 Shareholder Meetings

17 1 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the commencement of the business and also when such business is voted upon. Shareholder(s) (or proxies thereof) together holding more than 50% of the issued Shares shall be a quorum.

17 2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

17 3 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded at any general meeting by the chairman, or by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Shareholder entitled to vote.

17 4 An instrument appointing a proxy and any authority under which it is executed or a certified copy of such authority must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment of that meeting) or to the place of the meeting at any time before the time appointed for the holding of the meeting (or any adjournment of that meeting). A notice revoking the appointment of a proxy must be given in accordance with the Companies Act.

17 5 The provisions of these Articles relating to general meetings of the Company or to their proceedings (and adjournments) shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Share.

18 Notices

18 1 Subject to the specific terms of these Articles, any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board or a committee thereof) shall be in writing.

18 2 Any Shareholder Communication may be served by the Company on, or supplied by the Company to, a Shareholder or other person:

18 2 1 personally, or

18 2 2 by sending it by first-class post in a pre-paid envelope addressed to such Shareholder or other person at his postal address (as appearing in the Company's register of members in the case of Shareholders).

18 3 In the case of a Shareholder Communication validly:

18 3 1 delivered personally, shall be deemed to have been given or received upon delivery, and

18 3 2 sent by post, proof that an envelope containing the communication was properly addressed, pre-paid and posted shall be conclusive evidence that it was sent and it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted.

18 4 In the case of Joint holders of a Share, all Shareholder Communications shall be sent or supplied to the Joint holder who is named first in the register, and a Shareholder Communication so sent or supplied shall be deemed sent or supplied to all Joint holders.

18 5 A Shareholder who has not supplied to the Company a postal address for the service of notices shall not be entitled to receive notices from the Company.

19 Indemnity and Insurance

19 1 Subject to, and on such terms as may be permitted by the Companies Act, the Company may

19 1 1 Indemnify, out of the assets of the Company, any director of the Company or any associated company against all losses and liabilities which he may sustain or incur in the performance of the duties of his office or otherwise in relation thereto,

19 1 2 provide a Director with funds to meet expenditure incurred or to be incurred by him in defending any civil or criminal proceedings brought or threatened against him or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority, in either case in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Companies Act to enable a Director to avoid incurring such expenditure, and

19 1 3 purchase and maintain insurance for any Director against any liability attaching to any such person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company

20 Calculation of dividends

20 1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be

20 1 1 declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

20 1 2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid

20 2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly

20 3 If and so long as the share capital is divided into different classes of shares, the directors may, subject to the provisions of the Companies Act 2006, pay interim dividends at variable rates on the different classes of shares, and the company, on the recommendation of the Directors, may declare dividends at variable rates on the different classes of shares