

THE COMPANIES ACTS 1985 TO 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF



PRIDY ENGINEERING SERVICES LIMITED (no. 06798098)

(As amended by written resolutions passed on 25 June 2019)

1. PRELIMINARY

1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052), The Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373), the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007 No.2541) and the Companies (Tables A to F) (Amendment) (No.2) Regulations 2007 (SI 2007 No.2826) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the Articles of Association of the Company.

1.2 In these Articles the expression "the Act" means the Companies Act 1985 and "the 2006 Act" means the Companies Act 2006, but so that any reference in these Articles to any provision of the Act or the 2006 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

1.3 In these Articles:-

"the Auditors"	means the Auditors of the Company or, if it is not required to appoint Auditors under the 2006 Act, its accountants from time to time;
"A Shareholder"	means a holder of A Shares;
"the A Shares"	means the A ordinary shares of 10p each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
"Bad Leaver"	means a member who or to whom: (i) if employed by the Company, leaves his employment without giving the full period of notice required under his service agreement or contract of employment and without the consent of the Company or if the Company is entitled to dismiss him summarily; (ii) commits any serious or persistent breach of any other obligation he may have to the Company or any associated company of the Company; or (iii) is convicted of a criminal offence for which a custodial sentence is imposed by a Court of competent jurisdiction;
"B Shareholder"	means a holder of B Shares;
"the B Shares"	means the B ordinary shares of 10p each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
"paid up"	means, in relation to a share, paid up or credited as paid up;
"preference shareholder"	means a holder of a preference share;
"preference shares"	means the redeemable preference shares of £1 each in the capital of the Company;
"share"	means any share in the capital of the Company of whatever class from time to time;

“transfer”

means to transfer, transmit, dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for, any shares, or create or permit to exist any interest therein (including any charge, lien or other encumbrance) or agree to do any of these things; and

“the Valuers”

means the Auditors or, if they decline the instruction, an independent firm of accountants appointed by the Vendor and by the directors or, in the absence of agreement between them on the identity of the expert or its terms of appointment within 10 days of the expiry of the 10 day period following service of a Transfer Notice referred to in article 14.4, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales.

2. ALLOTMENT OF SHARES

- 2.1 Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the directors who may (subject to section 80 of the Act and to article 2.3 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 2.2 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 2.3 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of 5 years from the date of incorporation and the directors may, after that period, allot any

shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.

3A SHARE CAPITAL

The Company's share capital is £33,000 divided into 225,000 A ordinary shares of 10p each and 105,000 B ordinary shares of 10p each. The A Shares and the B Shares (each as defined in article 1.3) shall be separate classes of shares, and save as herein otherwise provided shall rank *pari passu* in all respects.

3. SHARES

3.1 The lien conferred by regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.

3.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

4. GENERAL MEETINGS, VOTING AND RESOLUTIONS

4.1 Every notice convening a general meeting shall comply with the provisions of section 325(1) of the 2006 Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

- 4.2.1 No business shall be transacted at any general meeting unless a quorum is present. Subject to article 4.2.2 below, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 4.2.2 If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.
- 4.2.3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore such adjourned general meeting shall be dissolved.
- 4.2.4 Regulations 40 and 41 in Table A shall not apply to the Company.
- 4.3.1 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in article 4.3.3 below.
- 4.3.2 Any decision taken by a sole member pursuant to article 4.3.1 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 4.3.3 Resolutions under section 168 of the 2006 Act for the removal of a director before the expiration of his period of office and under section 510 of the 2006 Act for the removal of

an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

4.4 A member present at a meeting by proxy shall be entitled to speak at the meeting and shall be entitled to one vote on a show of hands. In any case where the same person is appointed proxy for more than one such member he shall on a show of hands have as many votes as the number of such members for whom he is proxy. A member present at a meeting by more than one proxy shall be entitled to speak at the meeting through each of the proxies but the proxies together shall be entitled to only one vote on a show of hands. In the event that the proxies do not reach agreement as to how their vote should be exercised on a show of hands, the voting power is treated as not exercised. Regulation 54 in Table A shall be modified accordingly.

4.3 Unless resolved by ordinary resolution that regulation 62 in Table A shall apply without modification, the appointment of a proxy and any authority under which the proxy is appointed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited or received at the place specified in regulation 62 in Table A up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting.

5. APPOINTMENT OF DIRECTORS

5.1.1 Regulation 64 in Table A shall not apply to the Company.

5.1.2 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions by Table A and by

these Articles expressed to be vested in the directors generally, and regulation 89 in Table A Shall be modified accordingly.

5.2 Regulations 76 to 79 (inclusive) in Table A shall not apply to the Company.

5.3 No person shall be appointed a director at any general meeting unless either:-

- (a) he is recommended by the directors; or
- (b) not less than 14 nor more than 35 clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

5.4.1 Subject to article 5.3 above, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.

5.4.2 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with article 5.1.2 above as the maximum number of directors and for the time being in force.

5.5 In any case where as the result of death or deaths in the Company has no members and no directors the personal representatives of the last member to have died shall have the right by notice in writing to appoint a person to be a director of the Company and such appointment shall be as effective as if made by the Company in general meeting pursuant to article 5.4.1 above. For the purpose of this article, where two or more members die in circumstances rendering it uncertain which of them survived the other or others, the members shall be deemed to have died in order of seniority, and accordingly the younger shall be deemed to have survived the elder.

6. BORROWING POWERS

- 6.1 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

7. ALTERNATE DIRECTORS

- 7.1 Unless otherwise determined by the Company in general meeting by ordinary resolution an alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of regulation 66 in Table A shall be modified accordingly.
- 7.2 A director, or any such other person as is mentioned in regulation 65 in Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he presents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

8. GRATUITIES AND PENSIONS

- 8.1.1 The directors may exercise the powers of the Company conferred by its Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

8.1.2 Regulation 87 in Table A shall not apply to the Company.

9. PROCEEDINGS OF DIRECTORS

9.1 Regulation 88 in Table A shall be read and construed as if the third sentence were omitted therefrom.

9.2 Subject to article 9.3, the directors may, in accordance with section 175(5)(a) of the 2006 Act, authorise any matter which would otherwise involve or may involve a director breaching his duty under section 175(1) of the 2006 Act to avoid conflicts of interest (a "Conflict")

9.3 When a Conflict is considered by the directors the director seeking authorisation in relation to the Conflict and any other director with a similar interest:-

- (a) shall not count in the quorum nor vote on a resolution authorising the Conflict; and
- (b) may, if the other directors so decide, be excluded from the board meeting while the Conflict is considered.

9.4 Each director shall comply with his obligations to disclose his interest in existing and proposed transactions or arrangements with the Company under sections 177 and 182 of the 2006 Act.

9.5 Save in relation to a resolution authorising a Conflict, a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculation the quorum present at the meeting.

9.6 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

10. COMMUNICATION BY MEANS OF A WEBSITE

- 10.1 Subject to the provisions of the 2006 Act, a document or information may be sent or supplied by the Company to a person by being made available on a website.

11. THE SEAL

11.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under regulation 6 in Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 in Table A shall not apply to the Company.

11.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

12. PROTECTION FROM LIABILITY

12.1 For the purposes of this article:

- (a) a "Liability" is any liability incurred by a director in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office or any liability incurred by an auditor in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company occurring in the course of the audit of accounts; and
- (b) "Associated Company" shall bear the meaning referred to in section 256 of the 2006 Act.

12.2 Subject to the provisions of the 2006 Act and without prejudice to any protection from liability which may otherwise apply:

- (a) the directors shall have power to purchase and maintain for any director of the Company, any director of an Associated Company and any officer of the Company (not being a director or auditor of the Company), insurance against any Liability; and

- (b) every director or auditor of the Company and every officer of the Company (not being a director or auditor of the Company) shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from any Liability.

12.3 Regulation 118 in Table A shall not apply to the Company.

13. TRANSFER OF SHARES

13.1 No B Shareholder shall transfer any B Share (save as may be required in pursuance of his obligations under this article 13, but subject always to article 13.5) except as permitted by articles 14 and 15.

13.2 If a B Shareholder at any time commits a breach of article 13.1 in relation to any B Share, he shall be deemed immediately prior to such breach to have given a Transfer Notice in respect of such share pursuant to article 14.14.

13.3 Where a Transfer Notice in respect of any B Share is deemed to have been given under any provision of these articles and the circumstances are such that the directors are unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the directors on the date on which the directors actually became aware of such facts and the provisions of article 14.14 shall apply accordingly.

13.4 For the purpose of ensuring that a transfer of B Shares is permitted under article 13.1, the directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish to the directors such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to their satisfaction within a period of 28 days after such request, the directors shall be entitled to refuse to register the transfer in question.

13.5 Notwithstanding anything else contained in these Articles, no B Shares shall be issued or transferred to any infant, bankrupt or person of unsound mind.

13.6 Unless all the members otherwise consent in writing, no transfer of any share permitted by this article 13 shall be made during the active period of any Transfer Notice or deemed Transfer Notice in respect of such share (and for this purpose "active period" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).

14. PRE-EMPTION RIGHTS

14.1 No B Share shall be transferred until the following conditions of this article 14 are complied with.

14.2 Any B Shareholder proposing or wishing to transfer a B Share ("the Vendor") shall give notice in writing ("the Transfer Notice") to the directors of his proposal or wish to do so. The Vendor shall specify in the Transfer Notice the number of B Shares which the Vendor proposes or wishes to transfer ("the Sale Shares") and whether not the Vendor has received an offer from a third party for the Sale Shares and, if so, the identity of the proposed buyer(s), the price offered for the Sale Shares and the terms of payment but, if not, the proposed price for the Sale Shares.

14.3 Subject to article 14.6, the Transfer Notice shall constitute the directors as the agent of the Vendor for the sale of the Sale Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Sale Price (as defined in article 14.4) and, subject to article 14.5, shall not be withdrawn.

14.4 For the purposes of this article 14, "the Sale Price" means the price proposed by or offered to the Vendor or, if not agreed by the directors within 10 days of service of the Transfer Notice by the Vendor or in the case of B Shares sold pursuant to a deemed Transfer Notice, the price determined by the Valuers (acting as expert and not as arbitrator) on the application of the directors as the fair price of the Sale Shares on the following bases:-

- (a) valuing the Sale Shares as on an arm's length sale between a willing seller and a willing buyer;
- (b) if the Company is carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without any restriction, lien, charge or other encumbrance;
- (d) that each share has the same value corresponding to its proportion of the value of all the B Shares taken as a whole and that no additional or reduced value is attached to any holding of B Shares by virtue of such holding comprising, or after purchase conferring or giving rise to, a majority or minority of the total voting rights conferred by all the B Shares issued at that time; and
- (e) the sale is taking place on the date the Valuers were requested to determine the Sale Price

Provided that, if the Vendor is a Bad Leaver, then the Sale Price shall be reduced by 25%. Any fees and expenses of the Valuers shall be borne as to one-half by the Vendor and as to the other half amongst the purchasers (if any) of the Sale Shares in proportion to the number of Sale Shares to be purchased by them respectively.

14.5 In cases where the Sale Price has been referred to the Valuers, the directors shall within 7 days of the receipt by them of the Valuers' determination of the Sale Price notify the Vendor of the Sale Price so determined and, save for Shares sold pursuant to a deemed Transfer Notice, the Vendor shall have the right, by notice in writing to the directors to be served upon them within 30 days after service upon him of such notification, to withdraw the Transfer Notice given by him, and in the event of such withdrawal the same shall cease to have any effect. The Vendor shall not, however, be entitled thereafter to transfer the Sale Shares save in accordance with this article 14 or article 15.

14.6 Upon the Sale Price being so agreed or determined as aforesaid or, if (the Sale Price having been determined as aforesaid) the Vendor has not given a notice to withdraw the Transfer Notice within the period of 30 days pursuant to article 14.5, the directors may resolve whether or not the Company should purchase all the Sale Shares (and not part only) at the Sale Price, subject to and in accordance with the provisions of Chapter 4 of

Part 18 of the 2006 Act, and, if so, shall give notice in writing to the Vendor accordingly and such notice shall be binding upon the Company and the Vendor who shall respectively use their best endeavours to complete such purchase.

- 14.7 If the directors resolve that the Company should not purchase all the Sale Shares as aforesaid, the directors shall give notice in writing to the Vendor accordingly and within 7 days of such notice shall offer the Sale Shares at the Sale Price to the A Shareholders in proportion to the number of A Shares then held by them ("Pro-Rata Entitlement"), and such offer shall be expressed to be open for acceptance during a period of not less than 14 days or more than 28 days ("the Acceptance Period"). At the expiration of the Acceptance Period, the directors shall allocate the Sale Shares as nearly as circumstances will admit in the following order:

first, to each A Shareholder who has agreed to purchase B Shares the lesser of the number of Sale Shares for which he has applied and his Pro-Rata Entitlement; and secondly, if any A Shareholder has applied for less than his Pro-Rata Entitlement, the excess shall be allocated to the A Shareholders who have applied for any part of such excess in proportion to the number of A Shares then held by them respectively (but without allocating to any member a greater number of Sale Shares than the maximum number applied for by them), and any remaining excess shall be apportioned by applying this paragraph without taking account of any A Shareholder whose application has already been satisfied in full.

- 14.8 If and to the extent that the Sale Shares are not accepted by the A Shareholders, the directors shall offer the Sale Shares or so many thereof as have not been accepted as aforesaid (as the case may be) to the B Shareholders (if any) other than the Vendor or any B Shareholder who has been deemed to have served a Transfer Notice pursuant to article 14.14, and the provisions of article 14.7 shall apply mutatis mutandis to such offer (save that in the case of competition the Sale Shares shall be sold to the acceptors in proportion to the aggregate nominal value of the B Shares then held by each of them respectively).

- 14.9 If any of the Sale Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the

members, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.

14.10 If the directors shall not receive acceptances from members in respect of all of the Sale Shares pursuant to articles 14.7 or 14.8 within the period required therefor, then the directors may offer all the Sale Shares (and not part only) not so placed to any other person, being an employee of the Company, whom the directors decide to admit to membership and who is willing to purchase the same at a price not less than the Sale Price, and the directors shall allocate such Sale Shares to such person within 7 days of the offer being accepted.

14.11 Upon the allocation of the Sale Shares being made pursuant to articles 14.7, 14.8 or 14.10 (as the case may be), the Vendor shall (subject as herein provided) be bound upon payment of the Sale Price to transfer the Sale Shares so sold to the purchaser or purchasers.

14.12 If in any case the Vendor, after having become bound to transfer any B Shares as aforesaid, makes default in so doing, the Company may receive the purchase money on behalf of the Vendor and the directors may appoint some person to execute instruments of transfer of such B Shares in favour of the purchaser(s), and shall thereupon cause the name(s) of the purchaser(s) to be entered in the Register as the holder(s) of the B Shares and shall hold the purchase money in trust for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to the purchaser(s), and after their names have been entered in the Register in exercise of the aforesaid power the validity of the said transaction shall not be questioned by any person.

14.13 If the directors do not dispose of all the Sale Shares within the periods stated in articles 14.7, 14.8 or 14.10, they shall so notify the Vendor in writing forthwith and during the period of 90 days next following the receipt of such notice the Vendor may sell all the Sale Shares (and not part only) as have not been disposed of to any person, being an employee of the Company, at a price not less than the Sale Price.

14.14 If any B Shareholder:-

14.14.1 dies;

14.14.2 presents or allows to be presented an application for an interim order or a

petition for bankruptcy under the Insolvency Act 1986, or makes any arrangement or composition with his creditors generally or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

14.14.3 becomes of unsound mind and/or becomes a patient as defined in Part VII of the Mental Health Act 1983;

14.14.4 becomes a Bad Leaver; or

14.14.5 *otherwise ceases to be employed by the Company for whatever reason (other than death)*

then, upon the happening of any such event, he shall be deemed to have served a Transfer Notice pursuant to article 14.2 in respect of all the B Shares as shall then be registered in his name.

14.15 An obligation to transfer a share under the provisions of this article 14 or article 15 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any charge, lien or other encumbrance.

14.16 The completion of the transfer of any B Shares in accordance with the provisions of this article 14 or article 15 shall mean the payment in cash of the Sale Price against delivery by the Vendor of duly executed stock transfer forms and relative share certificates (or an indemnify in lieu thereof) in respect of such B Shares together with, if a director, his resignation as a director.

14.17 Unless the context otherwise requires, references in articles 13 and this article 14 to “directors” shall be to the directors other than the Vendor.

14.18 Any B Shares transferred to any A Shareholder pursuant to this article 14 shall be converted to A Shares.

15 CHANGE OF CONTROL

15.1 Notwithstanding anything else contained in these Articles, if the A Shareholders shall receive and shall together wish to accept (whether on a conditional or unconditional basis) a bona fide arm’s length offer for the purchase of all their shares (“the Third Party Offer”), the following provisions of this article 15 shall have effect unless all the members shall agree in writing otherwise.

- 15.2 The A Shareholders shall procure that the proposed transferee or transferees shall also offer to purchase (and they shall not accept the Third Party Offer unless the proposed transferee or transferees shall also have offered to purchase) each of the shares held by the B Shareholders on the same terms as to price and otherwise as applied in relation to the shares held by the A Shareholders under the Third Party Offer.
- 15.3 The A Shareholders shall notify the B Shareholders in writing of the offer for the shares of the B Shareholders referred to in article 15.2, and shall at the same time notify the B Shareholders in writing of their wish to accept the Third Party Offer.
- 15.4 The B Shareholders shall be entitled within 30 days of receiving the notice referred to in article 15.3 to offer to purchase all (but not part only) of the shares held by the A Shareholders on the same terms as to price and otherwise as apply under the Third Party Offer in which event the A Shareholders shall be bound to accept the B Shareholders, offer on the same basis (whether conditionally or otherwise) as would have applied to an acceptance of the Third Party Offer.
- 15.5 If the B Shareholders fail to make such an offer as is referred to in article 15.4 within the 30 day period therein mentioned, the A Shareholders shall thereafter be free to accept the Third Party Offer, and the B Shareholders shall be bound to accept the equivalent offer made or to be made to them by the proposed transferee or transferees as referred to in article 15.3, and shall take all action necessary following such acceptance to facilitate the transfer of the shares of the B Shareholders in accordance with such equivalent offer, and the provisions of article 14.12 shall apply to any default by any B Shareholders hereunder.
- 15.6 For the avoidance of doubt no transfers made pursuant to this article 15 shall be required to be made in accordance with the provisions of article 14, and the directors shall register any transfer of shares made in accordance with the provisions of this article.

16. RIGHTS OF THE PREFERENCE SHARES

16.1 As to income:

Each preference share shall confer on its holder the right to receive a preference dividend at such rate on the amount of the paid up nominal capital of the preference share as the Company may from time to time, at its absolute discretion, declare.

16.2 As to capital:

- (a) On a winding up or other return of capital (but not on the redemption or the purchase by the Company of its own shares) the assets of the Company available for distribution amongst its members shall be applied, in priority to any payment to the holders of any other class of shares of the Company, in paying to the preference shareholders:

First, the nominal amounts paid up on the preference shares; and secondly, a sum equal to any arrears of any preference dividend declared pursuant to article 16.1 but not paid down to the date of return of capital.

- (b) The preference shares shall not confer any further right of participation in the profits or assets of the Company.

16.3 As to redemption:

- (a) The Company may, at its absolute discretion, redeem for cash at par all or any of the preference shares held by each preference shareholder at any time. Each date upon which any preference shares are redeemed is referred to as a 'redemption date'.
- (b) Upon a redemption date, the paid up nominal capital on the preference shares to be redeemed, together with any arrears of preference dividend declared pursuant to article 16.1 but not paid, shall become a debt due and payable by the Company to the relevant preference shareholders. The redemption monies shall be paid subject to receipt of the relevant share certificates (or an indemnity in a form reasonably satisfactory to the Company).
- (c) In the case of redemption of part of the preference shares included in the certificate the Company shall, without charge, issue a fresh certificate for the balance of the preference shares.

16.4 As to voting:

A preference shareholder shall be entitled to receive notice of and to attend and speak, but shall not be entitled to vote, at all general meetings of the Company.