

Company Number: 09896594

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
OF
ELSWOOD LIMITED (COMPANY)**

CIRCULATION DATE: 31st December 2015

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**), the directors of the Company propose that the first resolution is passed as an ordinary resolution and the second resolution is passed as a special resolution (**Resolutions**)

ORDINARY RESOLUTION

- 1 THAT, in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £520,494 00, to be divided into 520,494 redeemable preference shares of £1 00 each, provided that this authority shall, unless renewed, varied or revoked by the Company, expire 12 months from the date hereof save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities

SPECIAL RESOLUTION

- 2 THAT, the articles of association, a copy of which is attached to this Resolution and is initialled for the purpose of identification by the Chairperson, be adopted as the articles of association of the Company to the execution of and in substitution for the Company's existing articles of association

AGREEMENT

Please read the Notes attached to this document before signifying your agreement to the Resolutions.

The undersigned, being the person eligible to vote on the above Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions



Signature of **David Richard Thistlethwaite**



Date 31-12-2015



Signature of **Dorothy Margaret Thistlethwaite**

Date 31-12-2015

NOTES:

- 1 If you agree to the Resolutions, please sign and date this document to confirm your agreement and then return it to the Company using one of the following methods
 - **By Hand** delivering the signed copy to the Company's Registered Office, or
 - **Post** returning the signed copy by post to Company's Registered Office
- 2 If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 4 The Resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to it within 28 days of the Circulation Date. If you agree to the Resolutions please ensure that your agreement reaches us before that date
- 5 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
- 6 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

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ELSWOOD LIMITED



naphthens
solicitors

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ELSWOOD LIMITED

(ADOPTED BY SPECIAL RESOLUTION PASSED ON 31ST DECEMBER 2015)

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INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings

"Act"	the Companies Act 2006, in force from time to time
"Acting in Concert"	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended)
"Adoption Date"	the date of adoption of these Articles
"A Majority Shareholder"	a Shareholder holding more than 50% of the A Shares from time to time in issue
"Articles"	the Company's articles of association for the time being in force
"Asset Sale"	the disposal by the Company of all, or a substantial part of, its business and assets
"A Shares"	the A ordinary shares of £1.00 each in the capital of the Company
"Available Profits"	the profits available for distribution within the meaning of Part 23 the Act
"Board"	the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles
"B Shares"	the B ordinary shares of £1.00 each in the capital of the Company
"B Majority"	a Shareholder holding more than 50% of the B Shares from

"Shareholder"	time to time in issue
"Business Day"	a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business
"Chairman"	has the meaning given to it in Article 16
"Company"	Elswood Limited (Company number 09896594)
"connected"	has the meaning given in section 1122 Corporation Taxes Act 2010
"Controlling Interest"	means an interest in shares giving to the holder or holders control of the Company within the meaning of 1124 of the Corporation Tax Act 2010
"Director"	a director of the Company from time to time
"Eligible Director"	a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter)
"Encumbrance"	any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law)
"Exit"	a Share Sale, an Asset Sale or a Listing
"Financial Year"	the financial year of the Company from time to time being at the Adoption Date, 1 January to 31 December
"holding company"	has the meaning given in section 1159 of the Act
"Group"	the Company and each and any of its subsidiaries from time to time, and Group Company shall be construed accordingly
"Listing"	the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc, or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)))

"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date
"Ordinary Shares"	the A Shares and the B Shares
"Original Subscription Price"	for the Preference Shares, £1 00 per share
"Preferred Dividends"	the fixed cumulative preferential dividend referred to in article 9 2
"Preference Shares"	the preferred shares of £1 00 each in the capital of the Company
"Proceeds of Sale"	the consideration payable (including any deferred consideration) whether in cash or otherwise to those shareholders selling shares under a share sale
"Realisation Price"	the value of each Ordinary Share in issue immediately before a Listing, determined by reference to the price per share at which Ordinary Shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to the Listing
"Relevant Securities"	any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted, but excluding any shares which the Company is required to issue by reason of a right specifically attached to Shares under these Articles
"Sale"	an Asset Sale or a Share Sale
"Shares"	the Ordinary Shares and the Preference Shares from time to time
"Share Sale"	the sale of (or the grant of a right to acquire or to dispose of) 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) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where the buyer of such Shares is a Shareholder
"Shareholder"	a holder of Shares in the Company
"subsidiary"	in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company

"Surplus Assets" following on Asset Sale, the surplus assets of the Company remaining after the payment of its liabilities and taking into account a total consideration (including any deferred consideration) payable in respect of the Asset Sale

1 2 A reference in these Articles to

- (a) an **Article** is a reference to the relevant numbered article of these Articles, and
- (b) a **model article** is a reference to the relevant article in the Model Articles,

unless expressly provided otherwise

1 3 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 (but excluding any statutory modification of them not in force on the Adoption Date)

1 4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa

1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

- (a) any subordinate legislation from time to time made under it, and
- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

2. **ADOPTION OF THE MODEL ARTICLES**

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy is set out in the Schedule to these Articles

2 2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company

- 2 3 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 4 Model article 29 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"

DIRECTORS

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two

4. PROCEEDINGS OF DIRECTORS

- 4 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 4 2 (subject to Article 4 3 and Article 4 4) All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and, resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes
- 4 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 4 3 A decision taken in accordance with Article 4 2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 4 4 A decision may not be taken in accordance with Article 4 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 4 6 and Article 4 6
- 4 5 Meetings of the Directors shall take place at least four times in each year Any Director may call a meeting of the Directors At least ten Business Days' advance notice in writing of each such meeting shall be given to each Director
- 4 6 The quorum for any meeting (or part of a meeting, as the case may be) of the Directors shall be two Eligible Directors Directors can be present at meetings of the Directors by virtual means If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned for five Business Days to the same time and place
- 4 7 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a Conflict (as defined in Article 7 1), if there are less than two Eligible Directors in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be such number of Eligible Directors

4 8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to

- (a) appoint further Directors, or
- (b) call a general meeting so as to enable the Shareholders to appoint further Directors or amend these Articles, as appropriate

4 9 Questions arising at any meeting of the Directors shall be decided by a majority of votes

5. MAJORITY DIRECTORS

5 1 Each of the A Shareholder Majority and the B Shareholder Majority shall for so long as it holds 50% of the A Shares or the B Shares in Company (as the case may be), be entitled to nominate one person to act as a Director of the Company from time to time (any such Director being an "**Appointed Director**") The other Shareholders shall not vote their Shares so as to remove any Appointed Director from office Each of the A Shareholder Majority and the B Shareholder Majority shall be entitled to remove their Appointed Director from office and appoint another person to act in his place

5 2 Any appointment or removal of an Appointed Director under Article 5 1 shall take effect at the time that the notice is received at the Company's registered office or produced to a Board meeting

5 3 Each Appointed Director shall be entitled to be appointed to any committee of the Board established from time to time

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the 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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
- (d) 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

- (e) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7. DIRECTORS' CONFLICTS

7 1 The Directors may, in accordance with the requirements set out in this Article 7, 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**)

7 2 Any authorisation under this Article 7 will be effective only if

- (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (b) 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

7 3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

- 7 4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict
- 7 5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 7 6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

SHARES AND DISTRIBUTIONS

8. SHARE CAPITAL

- 8 1 The share capital of the Company at the Date of Adoption of these Articles is £520,592, divided into
- (a) 520,492 Preference Shares,
 - (b) 50 A Shares, and
 - (c) 50 B Shares
- 8 2 Unless the context requires otherwise, references in these Articles to Shares of a particular class shall include Shares created and/or issued after the date of adoption of these Articles and ranking *par passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue
- 8 3 Except as provided in these Articles, the Preference Shares and the Ordinary Shares shall rank *par passu* in all respects but shall constitute separate classes of Shares

9. DIVIDENDS

- 9 1 In any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this Article 9
- 9 2 The Company shall, without resolution of the Board or the Company in general meeting and before application of any Available Profits to reserve or for any other purpose, pay the holders of the Preference Shares a fixed cumulative preferential dividend ("**Preferred Dividend**") at an annual rate of 1.5% of the Original Subscription Price per Preference Share to be paid annually on the date falling 6 months after the end of the relevant Financial Year ("**Due Date**") to the person registered as its holder on the Due Date providing that the first such payment shall not be made before 6 April 2016.

- 9 3 Once all the Preferred Dividends have been paid subject to Articles 9 8 and 9 11, any Available Profits remaining that the Company determines to distribute shall be distributed among the Shareholders pro rata to the number of Ordinary Shares held by them respectively (par passu as if they constituted one class of Share) and shall accrue daily (assuming 365 day year) as well after as before the commencement of a winding up and the Ordinary Shares shall rank equally for dividends
- 9 4 The Board may (with the approval of the A Shareholder Majority and the B Shareholder Majority and after the payment of the Preferred Dividend) apply any amount determined to be distributed as dividends on the Ordinary Shares in paying to the holders of the respective classes of Ordinary Shares dividends at such respective rate (if any) as is determined by the Company by special resolution and so that a dividend or dividends may be declared on one or several classes of Ordinary Shares to the exclusion of any class or classes of Ordinary Shares and that dividends may be declared on the respective classes of Ordinary Shares at different rates or in different amounts The Directors may pay an interim dividend or dividends on one or several classes of Ordinary Shares to the exclusion of any class or classes of Ordinary Shares and may pay interim dividends at different rates on the respective classes of Ordinary Share
- 9 5 A Shareholder may by written notice to the Board elect that any dividend payable on his class of Ordinary Shares may be paid as follows
- (a) the dividend declared on any A Share (if any) may be paid by the Company in Sterling or Euros, or
 - (b) the dividend declared on any B Share (if any) may be paid by the Company in Sterling or United States Dollars
- 9 6 Where any dividend is to be paid in a currency other than Sterling, the rate of exchange shall be the rate published by the Company's bank from time to time as at the date of payment of the relevant dividend
- 9 7 Subject to the Act and to these Articles, the Board may pay interim dividends if the Available Profits for the relevant period justify such payment
- 9 8 If the Company is unable to pay the Preferred Dividend in full on the Due Date by reason that there are insufficient Available Profits to satisfy the Preferred Dividends, it shall pay on the Due Date such proportion the Preferred Dividend that it is lawfully able to do so
- 9 9 Unless the Company has insufficient Available Profits, the Preferred Dividend shall be paid immediately on the Due Date Such payment shall be made notwithstanding any provision of the Model Articles or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company approving the payment of the Preferred Dividend (or any part thereof)
- 9 10 If the Preferred Dividend is not paid in full on the Due Date, such amount which remain unpaid shall immediately become a debt due by the Company and shall be payable in priority to any other dividend and shall attract interest at an annual rate of 5% above the base rate from time to time of The Royal Bank of Scotland plc, calculated daily over a 365-day year from and including

the date any sum becomes due to the actual date of payment, compounded to the end of each calendar month for the period from that date up to (and including) the date of actual payment. All accrued but unpaid Preferred Dividends shall be paid immediately before an Exit.

9.11 If the Company is in arrears in paying the Preferred Dividend, the first Available Profits arising shall be applied first, in or towards paying off any arrears of Preferred Dividend in priority to the payment of any other dividend or distribution.

9.12 On a Listing, if the Company has insufficient Available Profits, it shall, by way of special dividend and in lieu of the accrued dividends that the Company is prohibited from paying, allot to each holder of Preference Shares in respect of which the Company is prohibited from paying dividends, by way of capitalisation of reserves, such number of Ordinary Shares (disregarding any fraction of a share) as shall have an aggregate Realisation Price equal to the unpaid dividend.

10. LIQUIDATION PREFERENCE

10.1 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:

(a) first, in paying to the holders of the Preference Shares an amount equivalent to the Original Subscription Price per Preference Share, together with a sum equal to any arrears and accruals 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 Preference Shares in full, the proceeds shall be distributed to the holders of the Preference Shares in proportion to the amounts due to each such Preference Share held, and

(b) second, amongst the holders of the Ordinary Shares pro rata as if they constituted one and the same class of Shares.

11. EXIT PROVISIONS

11.1 On a Share Sale, the Proceeds of Sale shall be distributed in the order of priority set out in Article 10. 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), provided that, if the Proceeds of Sale are not settled in their entirety on completion of the Share Sale:

(a) the Directors may register the transfer of the relevant shares, provided that the Proceeds of Sale have been distributed in the order of priority set out in Article 10, and

(b) the Shareholders shall take any actions necessary to ensure that the Proceeds of Sale are distributed in the order of priority set out in Article 10.

- 11 2 On an Asset Sale, the Surplus Assets shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in Article 10 providing if it is not lawful for the Company to distribute its Surplus Assets in accordance with the provisions of these Articles, the Shareholders shall take any action that may be necessary to give effect to this Article 11 2 (including (without prejudice to the generality of this Article 11 2 and not limited to putting the Company into voluntary liquidation so that Article 10 applies)
- 11 3 Immediately before a Listing, the entitlement of the Shareholders to participate in the equity share capital of the Company shall reflect their entitlement to the Realised Value (as if there had been a Share Sale) in the order of priority set out at Article 10 according to the value attributed to the Company upon such Listing and the Company shall (so far as it is lawfully able to do so) issue by way of automatic capitalisation of any available reserves such number of new equity shares in the capital of the Company (if any) to the Shareholders to give effect to such entitlement (or, the extent that it is not lawful for the Company to do so, the Shareholders shall be entitled to subscribe at par for the balance of new equity shares which would otherwise have been issued by way of capitalisation) The Shareholders shall procure that the Directors have sufficient powers and authorisations required to issue the new equity shares in the capital of the Company in accordance with the Articles
- 11 4 Immediately before a Listing the Company shall allot to each holder of Preference Shares by way of automatic capitalisation of reserves such number of Ordinary Shares (disregarding any fraction of a share) as shall have an aggregate Realisation Price equal to the Original Subscription Price of the Preference Shares held and any arrears and accruals of Preferred Dividends on those shares

12. REDEMPTION OF PREFERENCE SHARES

- 12 1 Subject to the Act, the Preference Shares shall be redeemed in full at any time after the date falling 6 months after the Adoption Date, at such time and in such instalments as the Company (with approval of the A Majority Shareholder and the B Majority Shareholder) shall determine The Preference Shares shall be redeemed by the Company giving written notice of the redemption to the relevant holder of the Preference Shares specifying the number of Preference Shares it requires to be redeemed ("**Redemption Notice**") Those Preference Shares shall be redeemed within 5 Business Days following receipt of the Redemption Notice by the relevant holder of such Preference Shares ("**Redemption Date**")
- 12 2 On the Redemption Date, the Company shall pay the Original Subscription Price on each of the Preference Shares redeemed At the same time, it shall pay any arrears or accruals of the Preferred Dividend due on such Preference Shares, calculated down to and including the Redemption Date In the absence of any direction to the contrary by the holder of the relevant Preference Shares, any amount paid on redemption of those Preference Shares shall relate first to the arrears and accruals of the Preferred Dividend The Preferred Dividends on the redeemed Preference Shares shall stop accruing from the date on which the redemption amount is paid.

- 12 3 On any Redemption Date the Company shall pay to each registered holder of Preference Shares the amount payable in respect of such redemption. On receipt of that amount, each such holder shall surrender to the Company the certificate for the Preference Shares that are to be redeemed (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost share certificate) to be cancelled. If any certificate (or indemnity) so surrendered includes any shares that are not redeemable at that time, the Company shall issue a new share certificate for the balance of the Preference Shares not redeemable to the holder.
- 12 4 If, on any Redemption Date, the Company is prohibited from redeeming some or all of the Preference Shares then due to be redeemed, the Company shall redeem such number of Preference Shares as it is lawfully able to redeem. If there is more than one holder whose Preference Shares are due to be redeemed, those Preference Shares shall be redeemed in proportion as nearly as possible to their existing holdings of Preference Shares and the Company shall redeem the balance of those shares as soon as practicable.
- 12 5 For so long as the Company is prohibited from redeeming Preference Shares, and some or all of the Preference Shares have not been redeemed, the Preferred Dividend shall, notwithstanding the other provisions of these Articles, continue to accrue down to and including the date on which such Preference Shares are actually redeemed, and the Company shall not pay any dividend or otherwise make any distribution out of capital or otherwise decrease its Available Profits. If the Company fails to make any partial redemption of Preference Shares, then subsequent redemptions of Preference Shares shall be deemed to be of those Preference Shares that first became due for redemption.

13. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 13 1 Save to the extent authorised by these Articles, 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.
- 13 2 Subject to the provisions of Articles 13 3 to 13 4, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to
- (a) offer or allot,
 - (b) grant rights to subscribe for or to convert any security into, and
 - (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

- 13 3 The authority referred to in Article 13 2
- (a) shall be limited to a maximum nominal amount of £50,000 of Shares,
 - (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and

- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any 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)

- 13 4 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

14. PURCHASE OF OWN SHARES

- 14 1 Subject to the Act but without prejudice to any other provisions of these Articles, the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation out of capital) up to any amount in a financial year not exceeding the lower of

- (a) £15,000, and
- (b) the nominal value of 5% of the Company's fully paid share capital of the beginning of each financial year of the Company

15. TRANSFER OF SHARES

- 15 1 In these Articles, a reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share
- 15 2 No Share may be transferred unless the transfer is made in accordance with these Articles or with the consent of the A Majority Shareholder and the B Majority Shareholder

DECISION-MAKING BY SHAREHOLDERS

16. GENERAL MEETINGS

- 16 1 No business other than, subject to Article 16 2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 16 2 The chairman of the Board (**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
- 16 3 One qualifying person present at a general meeting is a quorum and model article 41 shall be amended accordingly

17. VOTING

- 17 1 Subject to any other provisions in these Articles concerning voting rights, each Ordinary Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 17 2 The Preference Shares shall carry the right to receive notice of and to attend all general meetings of the Company but shall not carry the right to speak or vote at any general meeting of the Company
- 17 3 Model article 44(3) 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 model article
- 17 4 Model article 45(1) shall be amended by
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that model article

18. LIEN

- 18 1 The Company has a lien over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several 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

ADMINISTRATIVE ARRANGEMENTS

19. NOTICES

- 19 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- (a) if properly addressed and sent by prepaid 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),
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,

- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied

For the purposes of this Article 19 1, no account shall be taken of any part of a day that is not a working day

- 19 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

20. INDEMNITY AND INSURANCE

- 20 1 Subject to Article 20 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and
- (b) 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 20 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

- 20 2 This Article 20 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law

- 20 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss

- 20 4 In this Article 20

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and
- (b) **Relevant Officer** means any director or other officer of any Group Company