

## Fairtrade Foods Limited

Company number. 05661268

### Written resolution of Fairtrade Foods Limited (the Company) pursuant to sections 288-300 of the Companies Act 2006 (the Act)

We, the undersigned, being eligible members of the Company in accordance with section 289 of the Act agree to pass the following special resolution

**THAT** the articles of association of the Company (the **Existing Articles**) be deleted in their entirety and the regulations contained in the document annexed hereto and, for the purposes of identification, initialed by a director, be and are hereby adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Existing Articles

#### Signed:

Michael John Slegg *Michael Slegg*

Date 2 NOVEMBER 2010

Emma Slegg *Emma Slegg*

Date 2 NOVEMBER 2010

THURSDAY



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11/11/2010  
COMPANIES HOUSE

**Important notes:**

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

- **By hand** delivering the signed copy to 17 Angel Courtyard, High Street, Lymington Hants, SO41 9AP
- **Post** returning the signed copy by post to 17 Angel Courtyard, High Street, Lymington Hants, SO41 9AP
- **By email** returning the signed copy for the attention of Ayda Habboush to [ahabboush@towers.com](mailto:ahabboush@towers.com)

A special resolution must be passed by members representing not less than 75% of the voting rights of eligible members

Please note that once you have indicated your agreement to the resolution, you may not revoke your agreement

If you do not agree with the resolution, you do not need to do anything. If you do not reply, you will be deemed to have rejected the resolution

2 The circulation date of this resolution is 2010. If it is not passed within 28 days after circulation date it will lapse. If you agree to the resolution, please ensure that your agreement reaches us by the end of 2010.



**dated 2 November 2010**

**Fairtrade Foods Limited**

## **Articles of Association**

adopted by a special resolution passed on 2 November 2010

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<b>1</b>	<b>Model Articles</b>	<b>2</b>
<b>2</b>	<b>Definitions</b>	<b>2</b>
<b>3</b>	<b>Objects clause</b>	<b>3</b>
<b>4</b>	<b>Board resolutions</b>	<b>4</b>
<b>5</b>	<b>Calling a directors' meeting</b>	<b>4</b>
<b>6</b>	<b>Quorum for directors' meetings</b>	<b>4</b>
<b>7</b>	<b>Conflicts of interest</b>	<b>4</b>
<b>8</b>	<b>Authorisation of directors' conflicts of interest</b>	<b>5</b>
<b>9</b>	<b>Appointment and removal of directors</b>	<b>6</b>
<b>10</b>	<b>Termination of a director's appointment</b>	<b>6</b>
<b>11</b>	<b>Appointment and removal of alternate directors</b>	<b>6</b>
<b>12</b>	<b>Rights and responsibilities of alternate directors</b>	<b>7</b>
<b>13</b>	<b>Termination of alternate directorship</b>	<b>7</b>
<b>14</b>	<b>Company secretary</b>	<b>8</b>
<b>15</b>	<b>Nil- or partly-paid shares permitted</b>	<b>8</b>
<b>17</b>	<b>Class Rights</b>	<b>8</b>
<b>18</b>	<b>Share certificates</b>	<b>9</b>
<b>24</b>	<b>Calculation of dividends</b>	<b>14</b>
<b>25</b>	<b>Appropriation of capitalised sums</b>	<b>15</b>
<b>26</b>	<b>Proceedings at general meetings</b>	<b>15</b>
<b>27</b>	<b>Poll votes</b>	<b>15</b>
<b>28</b>	<b>Proxies and corporate representatives</b>	<b>15</b>
<b>29</b>	<b>Written resolutions</b>	<b>15</b>
<b>30</b>	<b>Matters requiring the unanimous consent of Shareholders</b>	<b>16</b>
<b>31</b>	<b>Means of communication to be used</b>	<b>17</b>
<b>32</b>	<b>Indemnity</b>	<b>18</b>

Company number: 05661268

Private company limited by shares

## Articles of Association

of

## Fairtrade Foods Limited

as adopted by a special resolution passed on 2 November 2010

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### 1 Model Articles

The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

### 2 Definitions

**A Share** means the A ordinary shares of £1 each in the capital of the Company,

**A Shareholder** means the holder of the A ordinary shares in the Company,

**A Director** means a director appointed by A Shareholder pursuant to Article 9,

**Act** means the Companies Act 2006, as amended, consolidated or re-enacted from time to time and for the time being in force,

**Associate** means, in relation to a body corporate, any of its subsidiaries, any of its holding companies or any subsidiary of any of its holding companies,

**Auditors** means the auditors of the Company for the time being,

**B Share** means the B ordinary shares of £1 each in the capital of the Company,

**B Shareholder** means the holder of the B ordinary shares in the Company,

**B Director** means a director appointed by B Shareholder pursuant to Article 9

**Business Plan** means the business plan for the Company as agreed between the shareholders from time to time,

**Change of Control** means in relation to any shareholder of the Company being a body corporate such member ceasing to be controlled (as defined by section 1124 Corporation Tax Act 2010) by the person(s) who controlled that shareholder on the date when it became a shareholder or the date of adoption of these articles (whichever is the later),

**Directors** means the board of directors of the Company from time to time,

**Fair Value** means, in relation to each Sale Share, the fair value thereof as determined in accordance with the provisions of Article 22,

**Subsidiary Undertaking** means a subsidiary undertaking as defined in section 1162 of the Companies Act 2006

2 1 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 date when these articles become binding on the Company

2 2 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles

2 3 A reference in these articles to an "Article" is a reference to the relevant article of these articles unless expressly provided otherwise

2 4 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

2 5 Save as expressly provided otherwise in these articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force

2 6 Where reference is made to a decision made by the A Shareholder or the B Shareholder, such decision or right may be exercised by a vote of the majority of the holders of the relevant shares where there is more than one holder of that class of shares

### 3 **Objects clause**

The Company's objects are unrestricted

#### **4 Unanimous decisions**

A decision of the directors which takes the form of a resolution in writing may consist of several copies each signed by one or more eligible directors. Article 8 of the Model Articles shall be modified accordingly.

#### **5 Calling a directors' meeting**

5.1 Meetings of the directors of the Company shall be held no less than four (4) times in every year and at no more than three (3) monthly intervals.

5.2 A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice to the Company after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it. Article 9(4) of the Model Articles shall be modified accordingly.

5.3 Unless otherwise agreed by all the Directors, 10 business days' notice shall be given to each of the directors of all meetings of the board of Directors. Such notice convening meetings of the Directors shall include an agenda specifying in reasonable detail the matters to be discussed, together with any relevant papers for discussion at such meeting. If sent to an address outside the United Kingdom, all such documents shall be sent by courier, telefax or by email. If any matter is not identified in reasonable detail the board of directors shall not decide on it unless all Directors agree in writing.

5.4 If all the Directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Article 10(3) of the Model Articles shall not apply to the Company.

#### **6 Quorum for directors' meetings**

6.1 The quorum for the transaction of business of the directors shall be two, comprising one A Director and one B Director. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Article 11(2) of the Model Articles shall be modified accordingly.

6.2 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision

6.2.1 to appoint such number of further directors as are required to make up the quorum required, or

6.2.2 to call a general meeting so as to enable the shareholders to appoint further directors. Article 11(3) of the Model Articles shall not apply to the Company.

#### **7 Conflicts of interest**

Provided that a director has disclosed his interest in an actual or proposed transaction or arrangement with the Company in accordance with the Companies Acts or the provisions of these articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the Company for any benefit which he derives under or in consequence of any such transaction or arrangement. Article 14 of the Model Articles shall be modified accordingly.

## **8 Authorisation of directors' conflicts of interest**

8.1 For the purposes of section 175 of the Act the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the Act. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

8.2 Authorisation of a matter under Article 8.1 shall be effective only if

8.3 the matter in question shall have been proposed in writing for consideration by the Directors, or in such other manner as the Directors may determine,

8.4 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the **Interested Directors**), and

8.5 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

8.6 Unless otherwise determined by the directors (excluding the Interested Directors), any authorisation of a matter under Article 8.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

8.7 Any authorisation of a matter under Article 8.1 shall be on such terms and/or conditions as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the Interested Directors) pursuant to any such authorisation.

8.8 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

8.8.1 disclose any such information to the Company, the directors or any other director or employee of the Company, or



8 8 2 use or apply any such information in connection with the performance of his duties as a director,

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the Act, this article shall apply only if such situation or relationship has been authorised by the directors under Article 8 1

8 9 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under Article 8 1 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit

## **9 Appointment and removal of directors**

9 1 Unless otherwise determined by ordinary resolution, the number of directors shall not exceed four (4) and the minimum number is one (1)

9 2 Notwithstanding any other provision of these articles, each of the A Shareholder and the B Shareholder shall be entitled to appoint up to two directors Any director appointed by A Shareholder shall be designated as an A Director and any director appointed by B Shareholder shall be designated as a B Director Each shareholder shall be entitled at any time and for any reason to remove and replace any director which it has appointed pursuant to this clause Directors may only be appointed and removed by the shareholder appointing it/him/her

9 3 Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice) Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders

9 4 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director

9 5 No director shall be appointed or removed otherwise than pursuant to these articles, save as provided by law

## **10 Termination of a director's appointment**

Notwithstanding any other provision of these articles, a person ceases to be a director as soon as he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and the directors resolve that his office be vacated

## **11 Appointment and removal of alternate directors**

11 1 Any director (the appointor) may appoint as an alternate any other director, or any other natural person to

11 1 1 exercise that director's powers, and

11 1 2 carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

## 12 **Rights and responsibilities of alternate directors**

12 1 An alternate director has the same rights, in relation to any Directors' meeting or directors' written resolution, as the alternate's appointor Alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors A person who is an alternate director but not a director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and may sign a written resolution (but only if it is not signed or to be signed by that person's appointor) No alternate may be counted as more than one director for such purposes

12 2 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

## 13 **Termination of alternate directorship**

13 1 An alternate director's appointment as an alternate terminates

13 1 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

13 1 2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the terminate of the appointor's appointment as a director,

13 1 3 on the death of the alternate's appointor, or

13 1 4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting

**14 Company secretary**

The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

**15 Nil- or partly-paid shares permitted**

Article 21 of the Model Articles shall not apply to the Company. If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.

**16 Share Capital**

16 1 Except as otherwise provided in these articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

16 2 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

16 3 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

16 3 1 any alteration in the Articles,

16 3 2 any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital, and

16 3 3 any resolution to put the Company into liquidation.

**17 Class Rights**

17 1 Notwithstanding any provision of these articles, the A Shares (taken as a whole) shall have the following class rights:

17 1 1 the right to appoint up to two directors in accordance with Article 9,

- 17 1 2 the right to remove any director appointed by that class in accordance with Article 9,
  - 17 1 3 the right to vote at meetings of the shareholders
- 17 2 Notwithstanding any provision of these articles, the B Shares (taken as a whole) shall have the following class rights
  - 17 2 1 the right to appoint up to two directors in accordance with Article 9,
  - 17 2 2 the right to remove any director appointed by that class in accordance with Article 9,
  - 17 2 3 the right to vote at meetings of the shareholders
- 18 **Share certificates**

Every share certificate must specify the amount paid up on the shares to which it relates Article 24(2)(c) of the Model Articles shall not apply to the Company
- 19 **Transfer of shares**
- 19 1 Except as permitted by these articles or with the prior written consent of all the other shareholders, no shareholder shall
  - 19 1 1 sell, transfer or otherwise dispose of any legal and/or beneficial interest in any shares held by such shareholder, or
  - 19 1 2 pledge, charge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal and/or beneficial interest in any shares held by such shareholder, or
  - 19 1 3 enter into any agreement in respect of the votes attached to any shares held by such shareholder
- 19 2 Any transfer or purported transfer of any share made otherwise than in accordance with these articles shall be void and of no effect and the Directors shall refuse to register any such transfer
- 20 **Pre-emption rights**
- 20 1 Save for transfers for which prior written consent is given by all shareholders for the time being or for transfers permitted by Article 23 (**Permitted Transfers**) no shares held by a shareholder may be transferred unless it transfers all (but not some only) of the shares held by it
- 20 2 Any shareholder (the **Seller**) proposing to transfer all or any of its shares or the beneficial interest in them (the **Sale Shares**) shall give notice in writing (a **Transfer Notice**) to the Company specifying

- 20 2 1 whether or not the proposed sale or transfer is conditional upon all and not part only of the shares comprised in the Transfer Notice being sold or transferred (a **Total Transfer Condition**) and in the absence of any such stipulation or in any case where a Transfer Notice shall be deemed to have been given pursuant to these articles, it shall be deemed not to be so conditional, and
- 20 2 2 the price per share at which the Seller proposes to sell the Sale Shares
- 20 3 The Transfer Notice shall irrevocably appoint the Company the Seller's agent for the sale of the Sale Shares in accordance with the provisions of these articles
- 20 4 The Sale Shares shall be sold with full title guarantee free from all mortgages, charges, pledges, liens and other encumbrances and together with all rights and benefits attaching thereto at a price per Sale Share (the **Transfer Price**) being
- 20 4 1 in cases where the Seller has reached an agreement or arrangement with a bona fide third party for the sale of the Sale Shares to such third party, at the price per Sale Share specified in the Transfer Notice or at the Fair Value (whichever shall be the lower), or
- 20 4 2 in any other case (including cases where a Transfer Notice is deemed to have been given under these articles), at the Fair Value
- 20 5 Once given a Transfer Notice shall be irrevocable except with the consent of the Directors
- 20 6 Upon receipt of a Transfer Notice (or, in any case where, pursuant to Article 21, a Transfer Notice shall be deemed to have been given, within 14 days of the occurrence of the relevant event or within 14 days after the Directors first become aware of the relevant event) the Company shall immediately cause the Fair Value to be determined
- 20 7 Upon the Fair Value being determined, the Company shall immediately give notice in writing (the **Offer Notice**) to the relevant shareholders of the Company, as specified below, informing them of the Transfer Price and that the Sale Shares are available for purchase in accordance with the provisions of these articles. Each Offer Notice shall specify a period of not less than 14 days and not more than 30 days within which it must be accepted or will lapse
- 20 8 The Sale Shares shall be offered to each other relevant shareholder of the Company (other than the Seller or any other shareholder who has served or who is deemed to have served a Transfer Notice which is still outstanding) (a **Relevant Member**) as follows
- 20 8 1 if the Sale Shares are A Shares to the Relevant Members who are holders of B Shares,
- 20 8 2 if the Sale Shares are B Shares to the Relevant Members who are holders of A Shares

- 20 9 In relation to each offer under this article, the Sale Shares shall be offered on terms that in the case of competition, the Sale Shares shall be sold to the shareholder accepting the offer in proportion (as nearly as may be) to their existing holdings of shares of the relevant class or classes by reference to which the entitlement to allocation arises
- 20 10 If any of the Relevant Members shall within the period specified in an Offer Notice apply for all or any of the Sale Shares, then
- 20 10 1 if the total number of Sale Shares applied for is equal to the number of the Sale Shares comprised in the Transfer Notice, the Directors shall allocate the number applied for in accordance with the applications made, or
- 20 10 2 if the total number of shares applied for is more than the number of Sale Shares comprised in the Transfer Notice, the allocation of the such shares as between the applicants shall be in proportion (as nearly as may be) to their existing holdings of shares of such class or classes by reference to which the entitlement to allocation arises,
- and in either case the Company shall immediately give notice of each such allocation (hereinafter called an **Allocation Notice**) to the Seller and the Relevant Members who have agreed to purchase such shares (each a **Purchasing Member**) and shall specify in the Allocation Notice the place and time (being not later than 30 days after the date of the Allocation Notice) at which the sale of the shares comprised in the Transfer Notice shall be completed
- 20 11 Upon service of an Allocation Notice, the Seller shall, subject to Article 20 13, be bound, on payment of the aggregate Transfer Price in respect of all the Sale Shares to transfer the shares comprised in the Allocation Notice to the Purchasing Member named therein at the time and place therein specified
- 20 12 If the Seller fails or refuses to transfer any shares to a Purchasing Member in accordance with the Allocation Notice, any Director nominated by the Purchasing Member, shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller a transfer of the relevant shares to the Purchasing Member The Directors may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being stamped) enter the name of the Purchasing Member in the register of shareholders as the holder of the shares so purchased The Directors shall forthwith pay the purchase money into a separate bank account in the Company's name and the Company shall hold the purchase money in trust for the Seller When the Seller delivers up its certificate for the relevant shares to the Company, it shall be paid the purchase money The Company shall have no liability to pay or account for any interest on such purchase money
- 20 13 If the Seller shall have included in the Transfer Notice a Total Transfer Condition, then if the total number of Sale Shares applied for pursuant to this article is less than the total number of Sale Shares comprised in the Transfer Notice, none of the Sale Shares shall be transferred to any Purchasing Member

20 14 In the event of all the Sale Shares comprised in the Transfer Notice not being sold under the preceding paragraphs of this article, the Seller may at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions contained in these articles have been exhausted, transfer the Sale Shares to a bona fide third party purchaser at a price not less than the Transfer Price specified **provided that** if the Transfer Notice shall have included a Total Transfer Condition, the Seller shall not be entitled to transfer any shares under this article unless all the Sale Shares (and not some only) are so transferred

20 15 Any Director may require the Directors to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance to the purchaser or other third party and otherwise in accordance with the provisions of this article

## 21 Transfers on default

21 1 A shareholder (a **Defaulting Member**) shall be deemed to have given a Transfer Notice pursuant to Article 20 2 in respect of all the shares in the Company held by the Defaulting Member immediately before any of the following events

21 1 1 the Defaulting Member pledges, charges, mortgages (whether by way of fixed or floating charge) or otherwise encumbers its legal and/or beneficial interest in any of its shares, or

21 1 2 in the case of the Defaulting Member being a body corporate, it and/or any company which is for the time being a holding company of the Defaulting Member

(a) has an encumbrancer lawfully take possession or an administrative receiver, receiver, administrator or similar person is appointed over the whole or any part of its undertaking, property or assets, or

(b) a petition is presented for the making of an administration order or a petition is presented for its compulsory winding-up or documents are filed with the court for the appointment of an administrator or notice of intention to appoint an administrator is given by the company in question or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or

(c) an order is made or a resolution is passed or a notice is issued convening a meeting for the purpose of passing a resolution or any analogous proceedings are taken for the appointment of an administrator or its winding-up, liquidation or dissolution other than for the purposes of a reconstruction or amalgamation without insolvency on terms previously approved by the other shareholders (such approval not to be unreasonably withheld or delayed), or

(d) proposes or makes assignment for the benefit of, or an arrangement or composition with, its creditors generally or makes

an application to a court of competent jurisdiction for protection from its creditors generally, or

- (e) is unable to pay its debts or any of its debts become due and payable before their specified maturity, or
- (f) any distress, execution, sequestration or other similar process is levied in relation to all or any part of its undertaking, property or assets which is not remedied within 14 days, or
- (g) requests the appointment of a receiver or administrative receiver or administrator under or any step is taken by any person to enforce any rights under or pursuant to any mortgage, charge, pledge, lien or any encumbrance or security interest of any kind over any of its undertaking, property or assets, or
- (h) is the subject of any Change of Control, or
- (i) any event, proceeding or appointment equivalent to any one or more of the events specified above occurs under the laws of any foreign jurisdiction in which any relevant body corporate is incorporated, carries on business or has any assets

21 2 A Transfer Notice deemed to have been given pursuant to this article shall be irrevocable. The provisions of Articles 20 6 to 20 13 (inclusive) shall apply mutatis mutandis to any such Transfer Notice

21 3 In any case where a Transfer Notice is deemed to have been given under this article, the Directors shall forthwith procure that the Fair Value of each Sale Share to be sold be determined and the Fair Value as so determined shall be the Transfer Price. The provisions of Article 22 shall apply mutatis mutandis, save that the costs of any determination by the independent firm of chartered accountants shall be borne by the Defaulting Member

## 22 Fair Value

22 1 Upon receipt of a Transfer Notice, the Directors shall by notice in writing instruct the Auditors (or at the discretion of the Auditors, a person nominated by the President for the time being of the institute of Chartered Accountants in England and Wales (or his duly authorised deputy)) to determine the Fair Value of each Sale Share within 60 days from the receipt of such instruction in accordance with the provisions of this article

22 2 The Company shall instruct the Auditors to certify in writing the sum which in their opinion represents the Fair Value of each Sale Share as at the date of the Transfer Notice on the basis of a sale of the whole of the issued ordinary share capital of the Company as a going concern on the open market for cash as between a willing seller and a willing buyer and on the basis that all of the issued ordinary shares in the Company rank pari passu in all respects. The Directors shall give to the Auditors all



such information as they may reasonably require and shall take account of any relevant information which any shareholder may wish to provide to the Auditors

22 3 The Auditors may in their reasonable discretion instruct other professional advisers to assist them in determining the Fair Value of a Sale Share

22 4 For the purpose of this article, the Fair Value of the Sale Shares shall be their value as a rateable proportion of the total value of the issued ordinary shares of the Company without any premium or discount being attributable to the percentage of the nominal value of the issued ordinary share capital of the Company which they represent

22 5 The costs of such valuation (including, where appropriate, the cost of any advisers appointed by the Auditors) shall be apportioned among the Vendor and the Purchasing Members or borne by any one or more of them as the Auditors in their absolute discretion shall decide

22 6 In certifying the Fair Value, the Auditors shall be considered to be acting as experts and not as arbitrators and accordingly any provisions of law or statute relating to arbitration shall not apply

22 7 Save in the case of fraud or manifest error, the Auditors' determination of the Fair Value of a Sale Share shall be final and binding on all concerned

22 8 If the Directors are unable to arrange for the Auditors to determine the Fair Value in accordance with the provisions of this article, the Directors may request the President for the time being of the Institute of Chartered Accountants in England and Wales (or his duly authorised deputy), to nominate an independent firm of chartered accountants, with experience in the valuation of private companies limited by shares, to act in place of the Auditors. In this event, references in this article to the "Auditors" shall be read and construed as a reference to such independent firm of chartered accountants

## 23 **Permitted Transfers**

23 1 A shareholder (**Transferor**) shall be entitled at any time to transfer any of the shares held by it to an Associate of the shareholder (a **Permitted Transferee**)

23 2 If, while it holds shares in the Company, a Permitted Transferee ceases to be an Associate of the Transferor, the Permitted Transferee shall notify all the other shareholders in writing that such an event has occurred and the Permitted Transferee shall (unless otherwise agreed by all the other shareholders in writing) transfer all its shares to the Transferor or an Associate of the Transferor immediately

## 24 **Calculation of dividends**

24 1 Except as otherwise provided by these articles or the rights attached to shares, all dividends must be

- 24 1 1 declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
- 24 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
- 24 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 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount Article 30 of the Model Articles shall be modified accordingly
- 25 **Appropriation of capitalised sums**
- A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled
- 26 **Proceedings at general meetings**
- If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given to all the shareholders of the Company Article 41(5) of the Model Articles shall be modified accordingly
- 27 **Poll votes**
- 27 1 A poll may be demanded by any shareholder (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation Article 44(2)(c) of the Model Articles shall be modified accordingly
- 27 2 A demand for a poll may, before the poll is taken, be withdrawn A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made Article 44(3) of the Model Articles shall not apply to the Company
- 28 **Proxies and corporate representatives**
- The failure of any proxy or corporate representative to vote in accordance with any instructions given by the shareholder by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative
- 29 **Written resolutions**
- A proposed written resolution of the shareholders of the Company (or of a class of shareholders) shall lapse if it is not passed before the end of the period of six months

beginning with the circulation date of such resolution (as defined in section 290 of the Act)

**30 Matters requiring the unanimous consent of shareholders**

No action shall be taken or resolution passed by the Company in respect of any of the following matters except with the prior written consent of each of the A Shareholder and the B Shareholder

- 30 1 the making of any material change in the nature of the Company, or the sale, transfer or disposal of the whole or a substantial part of the Company,
- 30 2 the creation, allotment or issue of any shares in the capital of the Company or of any other security or the grant of any option or rights to subscribe in respect thereof or to convert any instrument into such shares,
- 30 3 the reduction of the share capital or variation of the rights attaching to any class of shares in the capital of the Company or any redemption, purchase or other acquisition by the Company of any shares or other securities of the Company,
- 30 4 the making, declaration or payment of any dividend or distribution by the Company,
- 30 5 the presentation of any petition for the voluntary winding-up of the Company,
- 30 6 the formation of any Subsidiary Undertaking, the acquisition of or investment in any other company or business or the merger or amalgamation of the Company with any other company or the participation in any partnership or joint venture,
- 30 7 the incurring of any borrowings or other indebtedness (other than normal trade credit) or the giving of any guarantees which would cause the aggregate amount of all such outstanding borrowings or indebtedness or guarantees of the Company to increase by more than £100,000,
- 30 8 the approval of the annual audited accounts of the Company,
- 30 9 the approval and/or adoption of any Business Plan or annual budget or any variation of the Business Plan or annual budget from time to time,
- 30 10 the entering into any purchase, sale, lease or licence of any freehold or leasehold property (other than in accordance with the Business Plan),
- 30 11 any changes to the memorandum or articles of association of the Company,
- 30 12 the execution, modification, termination or renewal of any agreement, arrangement or transaction between the Company and any third party which
  - 30 12 1 has an annual contract value in excess of £100,000 (or the equivalent amount in any other currency), or
  - 30 12 2 is outside the ordinary course of the Company's business or is otherwise there on arm's length terms, or

- 30 12 3 is a transaction or arrangement with any shareholder or director or any person who is connected (within the meaning of section 1122 of the Corporation Tax Act 2010) to any shareholder or director,
- 30 13 the registration of any person as a shareholder of the Company other than the shareholders in respect of their initial investment and/or any permitted transferees,
- 30 14 any change of the Company's name, auditors, bankers, accounting reference date or bank mandate,
- 30 15 the factoring or assignment of any of the book debts of the Company,
- 30 16 the establishment or amendment of any profit-sharing, share option, bonus or other incentive scheme of any nature, or any pension scheme for directors or employees, or
- 30 17 the grant of any pension rights to any director, employee, former director or employee, or any shareholder of such person's family, or
- 30 18 the remuneration (by payment of fees, the provision of benefits-in-kind or otherwise), or the execution or variation of any contract of employment providing for the payment of remuneration (including pension and other benefits), in excess of a rate of £100,000 per annum or the increase in remuneration of any staff, officer or consultant to the Company (including pension and other benefits) to a rate in excess of £100,000 per annum
- 31 Means of communication to be used**
- 31 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 31 1 1 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 working 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 working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 31 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 31 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 31 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

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

- 31 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

## 32 Indemnity

- 32 1 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)) provided that this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Act This Article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the Act and any such indemnity is limited accordingly This Article is also without prejudice to any indemnity to which any person may otherwise be entitled Article 52 of the Model Articles shall not apply to the Company

- 32 2 To the extent permitted by, and subject to the restrictions in, the Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Act, or to enable him to avoid incurring such expenditure

- 32 3 Without prejudice to the provisions of Article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company

- 33 In these articles

- 33 1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate,

- 33 2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor