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DATED 31 JANUARY **2013**

**THE COMPANIES ACT 1985
AND
THE COMPANIES ACT 1989
A PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
DIRECT PRODUCE SUPPLIES PLC**



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OF
DIRECT PRODUCE SUPPLIES PLC

(adopted by special resolution passed on the 31 day of
January 2013)

PRELIMINARY

- 1 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter referred to as "**Table A**") shall apply to the Company save in so far as they are excluded or varied hereby that is to say, Regulations 29, 46, 53, 54, 64, 73 to 75 (inclusive), 80 and 91 of Table A, shall not apply to the Company, and in addition to the remaining Regulations of Table A, as varied hereby, the following shall be the Articles of Association of the Company

INTERPRETATION

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

A Shares	means the A ordinary shares of £1 each
the Act	means the Companies Act 1985 or any further enactment thereof,
B Share	means the B ordinary shares of 10 pence each,
B Shareholder	means the holder of a B Share,

Representatives	means, in relation to a member, any person or persons who have become entitled to his shares in consequence of his death,
the Shareholders	means the A Shareholders and the B Shareholders together,
Shares	means shares of whatever class in the capital of the Company

SHARES

- 3 Subject to Articles 4 and 5 hereof all Shares shall be under the control of the Directors and the Directors may allow, grant options over, or otherwise deal with or dispose of the same to such persons and generally on such terms and in such manner as they think fit
- 4 The Directors are generally authorised for the purposes of Section 80 of the Act to allot relevant securities (as defined in Section 80 of this Act) provided that the aggregate nominal value of such securities allotted pursuant to this authority shall not exceed the amount of the authorised share capital at the time of adoption of these Articles unless varied or revoked or renewed by the Company in General Meeting
- 5 The Directors shall be entitled under the authority conferred by Article 4 to make at any time before the expiry or revocation of such authority any offer or agreement which will or may require relevant securities to be allotted after the expiry of such authority
- 6 The Directors shall be empowered to allot equity securities (as defined in Section 94 of the Act) pursuant to the authority conferred by Article 4 above as if Section 89(1) of the Act did not apply to the allotment
- 7 No shares of the Company shall be allotted except as paid up as to at least one quarter of their nominal value and the whole of any premium (if any)

SHARE CAPITAL

- 8 The authorised Share Capital of the Company on the date of adoption of the Articles is £500,000 divided into 499,990 A Shares and 100 B Shares
- 9 Save as set out in these Articles the A Shares and the B Shares shall rank *pari passu* in all respects

- 10 The B Shares shall not confer on their holders any entitlement to receive notice of, nor to attend, speak or vote at any general meetings of the Company

GENERAL MEETINGS

- 11 A notice convening a General Meeting shall in the case of special business specify the general nature of the business to be transacted, and Regulation 38 of Table A shall be modified accordingly
- 12 All business shall be deemed special that is transacted at an Extraordinary General meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors
- 13 Regulation 41 of Table A shall be read and construed as if the last sentence ended with the words “, and if at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting, the Meeting shall be dissolved”
- 14 At any General Meeting a Resolution put to the vote of the Meeting shall be decided on a show of hands unless before or immediately following the declaration of the result of the show of hands a poll is demanded by the Chairman or any other Member present in person or proxy and a demand by a person as proxy for a member shall be the same as a demand by the member Regulation 46 of Table A shall not apply

DIRECTORS

- 15 The minimum number of Directors shall be two and unless and until the Company in General Meeting shall otherwise determine there shall be no maximum number of Directors
- 16 A person may be appointed a Director notwithstanding that he has attained the age of seventy years and no Director shall be liable to vacate office by reason only of his having attained that or any other age
- 17 The Directors shall not be obliged to retire by rotation, and Regulations 76 to 79 shall be read and construed accordingly
- 18 The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, properly, 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

19 The A Shareholder shall be entitled to appoint the Chairman of the Company and Regulation 91 of Table A shall not apply

20 A Director may vote as a Director on any resolution concerning any Contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration, and Regulation 94 of Table A shall be modified accordingly

21 The day to day business of the Company shall be transacted by the Directors

INDEMNITY

22 Subject to the provisions of the Act and in addition to such indemnity as is contained in Regulation 118 of Table A, every Director, officer or official of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him it, or about the execution and discharge of the duties of his office

TRANSFER OF SHARES

23 No member shall dispose of any share save as may be required in pursuance of his obligations under these Articles or the Shareholders Agreement) except as permitted by these Articles

24 No member shall create any charge, lien, encumbrance or trust over any share or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things without the prior written consent of the directors

25 The directors shall not refuse to register any transfer of a share which is permitted under these Articles but may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted hereunder if it is a transfer of a share on which the Company has a lien Regulation 24 shall be modified accordingly

26 If a member or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a transfer notice he shall forthwith give written notice thereof to the directors

27 Any member may at any time transfer all or any of his shares to any other member or to any person with the prior written consent of all the other members

PRE-EMPTION RIGHTS

- 28 Except for a transfer of shares which is permitted under these Articles as mentioned in Articles 27 and 41, or a transfer in accordance with clause 8 of the Shareholders Agreement, any member proposing to transfer a share ("**the proposing transferor**") shall give notice in writing ("**transfer notice**") to the Directors that the Proposing transferor desires to transfer such shares. In the transfer notice the proposing transferor shall specify
- 28 1 the number and class of shares which the proposing transferor wishes to transfer ("**the Transfer Shares**"), and
- 28 2 whether or not the proposing transferor has received an offer from a third party for the Transfer Shares and if so the identity of such third party and the price offered for the Transfer Shares
- 29 Within seven days after the receipt of any transfer notice the Directors shall serve a copy of that transfer notice on all the members other than the proposing transferor
- 30 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price per Transfer Share ("**the Transfer Price**") determined in accordance with Article 31 below
- 31 The Transfer Price shall be such price as shall be agreed in writing between all the members. In the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) the Transfer Price shall be the price recommended by the Company's auditors, which is to be agreed upon and accepted by the members. If the auditors recommended price is not accepted, the Transfer Price will be determined by an independent Chartered Accountant of not less than ten years' standing ("**the Expert**") who shall be nominated by agreement between all the members or failing such nomination by the President from time to time of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members
- 32 The Expert will certify the open market value of the Transfer Shares as at the date of the transfer notice on the following assumptions and bases
- 10 1 valuing the transfer shares as on an arm's length sale between a willing vendor and a willing purchaser,

- 10 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- 10 3 that the transfer shares are capable of being transferred without restriction, and
- 10 4 that there shall be no discount on account of the fact that the Transfer Shares may constitute a minority shareholding
- 33 The Transfer Price shall be a sum equal to the open market value of the Transfer Shares determined as aforesaid divided by the number of Transfer Shares
- 34 The costs and expenses of the Expert in determining the Transfer Price and of his appointment shall be borne as to one half by the proposing transferor and as to the other half by the transferees pro rata according to the number of Transfer Shares purchased by them unless the proposing transferor shall revoke the Transfer Notification pursuant to the above clause in which event the Proposing transferor shall pay all of such costs and expenses
- 35 Within 7 days after the date on which the Transfer Price is determined the Transfer Shares shall be offered for purchase at the Transfer Price by the Directors to the members who at the date of the offer are registered as the holders of shares (other than the Proposing transferor) and in the proportion, as nearly as may be to the number of shares by them
- 36 If by the foregoing procedure and after the expiration of 14 days from the date of the offer, the Directors shall not receive acceptances from members in respect of all of the Transfer Shares they shall forthwith give notice in writing of that fact to all the members, whereupon the Company shall be entitled to buy back at the Transfer Price the Transfer Shares in accordance with Section 162 of the Act, failing which the Directors shall nominate any person or person who has expressed his willingness in writing to purchase all or any of those Transfer Shares in respect of which acceptances have not been received at the Transfer Price as the purchaser(s) of such Transfer Shares (and the Directors shall be deemed to have made an offer of such shares accordingly)
- 37 Upon acceptance by the members, or in the event of a buy-back by the Company (as the case may be) the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor to transfer the Transfer Shares

- 38 In the event that acceptances are not received by any of the members and the Company is not buying-back the Transfer Shares, the Directors may stipulate the price at which the shares are to be transferred to the person(s) nominated by them. Such price is not to be less than the Transfer Price determined in accordance with Article 31.
- 39 If by the foregoing procedures the directors shall receive acceptances in respect of none or part only of the Transfer Shares, they shall forthwith give notice in writing of that fact to the proposing transferor, and the proposing transferor may within a period of one month after the date of the director's said notice sell all or any of those Transfer Shares which have not been accepted as aforesaid to any person or persons at any price which is not less than the Transfer Price (after deducting where appropriate, the amount of any net dividend or other distribution to be retained by the proposing transferor).

LIEN

- 40 The lien conferred by regulation 8 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 up 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 monies presently payable by him or his estate to the Company. Furthermore, such lien shall extend to all amounts payable in respect of a share. The directors may resolve to exclude any share or any amount payable in respect of a share from the application of this Article. Regulation 8 shall be modified accordingly.