

THE COMPANIES ACTS 1985 and 1989

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SCREWFIX DIRECT LIMITED

1. PRELIMINARY

- 1.1 The Company is a Private Company and, subject as hereinafter provided and except where the same are varied or excluded by or inconsistent with these Articles, the regulations contained or incorporated by reference in Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter called "**Table A**") shall apply to the Company save insofar as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and shall be deemed to form part of these Articles. References herein to regulations in Table A unless otherwise stated.
- 1.2 In these Articles the expression the act means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

2. DEFINITIONS

"**these Articles**" means the Articles of Association in their present form or as from time to time altered;

"**Director**" means a Director of the Company;

"**the Board**" means the Board of Directors of the Company or a duly authorised committee thereof or the Directors present at a meeting of the Board of Directors of the Company or a duly authorised committee thereof, in each case at which a quorum is present;

"**Member**" means a member of the Company.

3. SHARE CAPITAL

The share capital of the Company is £500,000 divided into 28,443 Ordinary 'A' Shares of £1 each, 49,917 Ordinary 'C' Shares of £1 each, 4,600,000 Ordinary 'D' Shares of £0.01 each, 15,000 Ordinary 'B' Shares of £1 each and 400,000 6% Redeemable Preference Shares.



- 3.1 Save as provided below or otherwise in the Articles of Association the Ordinary 'A' Shares, the Ordinary 'C' Shares and the Ordinary 'D' Shares shall rank *pari passu* in all respects.
- 3.2 The words "every member shall have one vote for every share of which he is the holder" at the end of Article 54 in Table A shall not apply to the Company and there shall be substituted therefor the following:-
- (a) Each Ordinary 'A' Share shall confer on the holder thereof the right to one vote at any general meeting of the Company;
 - (b) Each Ordinary 'C' Share shall confer upon the respective holder thereof the right to such vote (expressed as a fraction) per such share at any general meeting of the Company as is represented by x where x is equal to 45,917 divided by the aggregate of the total number of Ordinary 'C' Shares and Ordinary 'D' Shares in issue; and
 - (c) Each Ordinary 'D' Share shall confer upon the respective holder thereof the right to such vote (expressed as a fraction) per such share at any general meeting of the Company as is represented by x where x is equal to 45,917 divided by the aggregate of the total number of Ordinary 'C' Shares and Ordinary 'D' Shares in issue.

4. **SHARES**

- 4.1 The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date incorporation and the Directors, may after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General meeting.
- 4.2 All unissued shares or securities of the Company not comprising relevant securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as it thinks proper.
- 4.3 Pursuant to Section 91 of the Companies Act 1985, sub-section (1) of Section 89 and sub-sections (1) to (6) inclusive of Section 90 of that Act shall be excluded from applying to the Company.

5. **LIEN**

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

6. FORFEITURE

The liability of any Member in default of payment of a call shall, if the Board so directs, also include any costs and expenses suffered or incurred by the Company in respect of such non-payment and the powers conferred on the Board by Regulation 18 and the provisions of Regulation 21 shall be extended accordingly.

7. TRANSFER OF SHARES

The Board may, in its absolute discretion, and without giving any reason therefor, decline to register a transfer of any share, whether or not it is a fully paid share. Regulation 24 shall not apply to the Company.

8. TRANSMISSION OF SHARES

The Board may at any time given notice requiring any person entitled to a share by reason of the death or bankruptcy of the holder thereof to elect either to be registered himself in respect of the share or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with. Regulation 31 shall be modified accordingly.

9. PROCEEDINGS AT GENERAL MEETINGS

9.1 If within half an hour from the time appointed for a general meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting, the meeting shall be dissolved. Regulation 41 shall not apply to the Company.

10. A poll may be demanded at any general meeting by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

11. DELEGATION OF DIRECTORS' POWERS

11.1 Any committee of the Board may consist of one or more co-opted persons other than Directors on whom voting rights may be conferred as members of the Committee but so that:

(a) the number of co-opted members shall be less than one-half of the total number of members of the committee; and

(b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

11.2 Regulation 72 shall be modified accordingly.

12. APPOINTMENT AND RETIREMENT OF DIRECTORS

12.1 The minimum number of Directors shall be one and in the event of there being a sole Director, he shall have all the powers and the subject to all the provisions herein conferred on the Directors and he or any alternative Director appoint by him shall alone constitute a quorum at any meeting of the Directors. Regulations 64, 89 and 90p shall be modified (an all other Regulations in these Articles relating to Directors shall be construed) accordingly.

12.2 The Directors shall not be subject to retirement by rotation and accordingly:

- (a) Regulations 73 to 75 inclusive, Regulation 80 and the last sentence of Regulation 84 shall not apply to the Company;
- (b) Regulation 76 shall apply but with the deletion of the words "other than a Directors retiring by rotation";
- (c) Regulation 77 shall apply but with the deletion of the words in brackets "(other than Director retiring by rotation at the meeting";
- (d) Regulation 78 shall apply but with the deletion of the words "and may also determine the rotation in which any additional Directors are to retire"; and
- (e) Regulation 79 shall apply but with the deletion of the words "and shall not be taken into account in terminating the Directors who are to retire by rotation at the meeting".

13. BORROWING POWERS

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

14. DIRECTORS

14.1 The Directors shall be entitled to such remuneration (if any) by way of fee as shall from time to time be determined by the Company in General Meeting. Unless and until so determined, remuneration shall at such rate as the Board shall from time to time determine. Such remuneration shall de deemed to accrue from day to day. The Directors (including alternate Directors) shall also be entitled to be paid their reasonable travelling, hotel and other expenses of attending and return from meetings of the Company or otherwise incurred while engaged on the business of the Company or in the discharge of their duties. Regulations 82 and 83 shall not apply to the Company.

15. Any Director, who, by return performs special service or goes or resides abroad for any purposes of the Company or

16. Subject to the provisions of the Companies Act 1985 and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is in any way interested;
- (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may, or any firm or company of which he is a member or Director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) shall be entitled to vote and be counted in the quorum on any matter concerning paragraphs (a) and (d) above.

For the purposes of this Article:

- (i) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of person is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (iii) an interest of a person who is, for any purpose of the Companies Act 1985 (excluding any statutory modification not in force when this Article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

Regulations 86, and 94 to 96 inclusive shall not apply to the Company.

17. **PROCEEDINGS OF DIRECTORS**

An alternate Director who is himself a Director and/or who acts as an alternate Director for more than one Director shall be entitled, in the absence of his appointor(s), to a separate vote

or votes on behalf of his appointor(s) in addition (if he is himself a Director) to his own vote. Regulation 88 shall be modified accordingly.

18. DIVIDENDS

18.1 On a dividend being declared in respect of all the shares in the Company, each of the Ordinary 'A' Shares, the Ordinary 'C' Shares and the Ordinary 'D' Shares (as the case may be) shall confer upon the respective holder thereof the right to receive an identical proportion of the dividend so declared as is equal to the proportion of the total voting rights on a poll attaching to all of the Ordinary shares of all classes in the capital of the Company which is attributable to each such Ordinary 'A' Share, Ordinary 'C' Share or Ordinary 'D' Share on the date upon which such dividend is declared.

18.2 On a return of assets of the Company to shareholders on a liquidation or a capital reduction or otherwise, (other than the redemption of shares of any class or the purchase by the Company of its own shares), each of the Ordinary 'A' Shares, the Ordinary 'C' Shares and Ordinary 'D' Shares (as the case may be) shall confer upon the respective holder thereof the right to receive an identical proportion of such assets as is equal to the proportion of the total voting rights on a poll attaching to all of the Ordinary shares of all classes in the capital of the Company which is attributable to each such Ordinary 'A' Share, Ordinary 'C' Share or Ordinary 'D' Share on the date upon which such a liquidation or a capital reduction or otherwise is declared.

19. NOTICES

A notice served by post shall be deemed to be given at the expiration of twenty-four hours (or, where second class mail is employed, forty-eight hours) after the time when the cover containing the same is posted. Regulation 115 shall be modified accordingly.

20. SEAL

The Directors shall decide whether the Company shall have a seal and if so shall provide for the safe custody of the Seal and of any official Seal for use abroad pursuant to the Statutes, and such Seals shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose. Regulation 101 of Table A shall not apply.

21. SHARE CERTIFICATES

In the event that the Directors decide that the Company shall not have a seal then share certificates or other documents issued by the Company may be signed by a Director and Secretary of the Company, or two Directors of the Company, and expressed (in whatever form of words) to be executed by the Company and shall have the same effect as if executed under the common seal of the Company and Regulation 6 of Table A shall be modified accordingly.

22. **INDEMNITY**

- 22.1 Every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or 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 relief is granted to him by the Court and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- 22.2 The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act from and after the bringing into force of Section 137 of the Companies Act 12989.
- 22.3 Regulation 118 shall not apply to the Company.

23. **BONUS SHARES**

- 23.1 On or after 20 July 1999 but before 31 December 1999 a holder of Ordinary 'C' Shares shall, upon giving notice in writing to the Company, be entitled to receive 100 Ordinary 'D' Shares credited as fully paid, for every Ordinary 'C' Share registered in his name.
- 23.2 The Ordinary 'A' Shares will not be entitled to receive any bonus issue of Ordinary 'D' Shares.