

Company No. 3189091

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed 23rd May 1996, amended by Special Resolution passed 19 August 2005, further amended by Special Resolution passed 23 October 2008 and further amended by Special Resolution passed 9 February 2015)

of

DURALAY INTERNATIONAL HOLDINGS LIMITED
(Incorporated 22nd April 1996)

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COMPANIES HOUSE

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on the 23rd day of May 1996)

1. DEFINITIONS, INTERPRETATION AND TABLE A

1.1 In these Articles unless there is something in the subject or context inconsistent therewith

"Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force,
"A Director"	means a person appointed as a Director pursuant to clause 7 of the Investment Agreement,
"A Ordinary Shares"	means the A Ordinary Shares of £0 10 each having the rights and privileges set out herein,
"Articles"	means the articles of association of the Company for the time being in force,
"Auditors"	means the auditors for the time being of the Company,
"Board"	means the board of directors of the Company for the time being,
"Company"	means this company,
"company"	means any body corporate or association of persons whether or not a company within the meaning of the Act,
"corporation"	means any body corporate or association of persons whether or not a company within the meaning of the Act,
"Credit Agreement"	means a credit agreement executed on or about 24 May 1996 by the Company Duralay Limited, certain banks, and National Westminster Bank Plc as facility agent, security trustee and working capital bank,
"Deed of Adherence"	means a deed in all material respects in the form set out in schedule 6 of the Investment Agreement,
"Directors"	means the directors for the time being of the Company as a body, or a quorum of the directors present at a meeting of the directors, and includes the A Director and the Chairman and an alternate director validly appointed and acting pursuant to Regulations 65-69 of Table A,
"dividend"	includes any distribution whether in cash or in kind out of revenue or capital,
"Employee Trust"	means any trust established by the Company for the benefit of the employees of the Company or any of its subsidiaries

with the approval of the A Director,

"Family"	means the spouse, mother, father, grandmother, grandfather, brother, sister, child or other issue (or their respective spouses) of any member who is a Director or employee of the Company or any subsidiary of the Company,
"Family Trust"	means a settlement set up by any shareholder who is an employee or director of the Company or any subsidiary of the Company provided that only any such shareholder and/or members of his Family are capable of being a beneficiary or beneficiaries thereof,
"holder"	in relation to shares means the member whose name is entered in the Register of Members as the holder of the shares,
"Investment Agreement"	means an agreement between the Company and certain of its Shareholders executed on or about 24th May,
"Loan Note Instrument"	means the instrument dated on or about 24 May 1996 executed by the Company under which the Company's £15,750,000 7 per cent Unsecured Loan Notes 2006 were constituted,
"Loan Notes"	means the loan notes constituted by the Loan Note Instrument executed on or about 24th May 1996,
"officer"	means and includes a Director, manager or the secretary,
"Ordinary Shares"	means the Ordinary Shares of £0 10 each having the rights and privileges set out herein,
"subsidiary"	has the meaning attributed to it in Section 736 of the Act,
"Sale Shares"	means any shares offered or deemed to be offered for sale pursuant to Article 8 or Article 12,
"Subordination Agreement"	means a subordination agreement made on or about 24 May 1996 between the Company, National Westminster Bank Plc as security trustee, certain shareholders of the Company and the holders of the Loan Notes,
"Table A"	means the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 (S.I. 1985 No. 805) as amended by S.I. 1985 No. 1052,
"Taxes Act"	means the Income and Corporation Taxes Act 1988 as amended,
"Transfer Notice"	means a notice given or deemed to be given pursuant to Article 8 or Article 12 3,

- "Transfer Price"** means the price determined in accordance with Article 8, 12 2 or 12 3
- 1.2** Unless the context otherwise requires, words or expressions contained in these Articles bear the same meanings as in the Act or in the Taxes Act
- 1.3** In the Articles
- 1.3.1** Article headings are included for convenience only and shall not affect the construction of these Articles,
- 1.3.2** words denoting the singular include the plural and vice versa,
- 1.3.3** words denoting one gender include each gender and all genders,
- 1.3.4** references to persons are deemed to include references to natural persons, to firms, to partnerships, to companies, to corporations, to associations, to organisations and to trusts (in each case whether having separate legal personality)
- 1 4** Unless otherwise specifically provided, where any notice, resolution or document is required by these Articles to be signed by any person, the reproduction of the signature of such person by means of facsimile shall suffice, provided that confirmation by first class letter is despatched by the close of business on the next following business day, in which case the effective notice, resolution or documents shall be that sent by facsimile, not the confirmatory letter
- 1 5** The regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified by these Articles In particular
- 1.5.1** Regulation 54 shall not apply to the Company and Article 5 shall govern voting procedure at members' meetings,
- 1.5.2** Regulation 82 shall not apply to the Company and remuneration of Directors shall be determined by the Board upon the recommendation of the Remuneration Committee,
- 1.5.3** Regulation 62(a) relating to the depositing of proxies shall be amended by the deletion of the words "not less than 48 hours" and Regulation 62(b) relating to a poll shall be amended by the deletion of the words "not less than 24 hours",
- 1.5.4** Regulations 42, 43 and 91 shall be deemed to be deleted if a Chairman has been specifically appointed to that post and is in attendance at the meeting in question,
- 1.5.5** Regulation 38 shall be modified by the addition of the words "General meetings shall be held at CINVen's offices from time to time or at the Company's registered office from time to time ",
- 1.5.6** Regulation 65 of Table A shall be amended by the addition of the following words -

"The A Director shall not require the approval of the Directors to the appointment by him of any person to be an alternate director in his place "

1.5.7 Not used,

1.5.8 Regulation 37 relating to requisition by members of an extraordinary general meeting shall be amended by replacing the words "eight weeks" with the words "28 days",

1 5.9 Regulation 72 relating to delegation of directors' powers shall be amended by altering the first sentence to read

"Subject to the approval of the A Director the Directors may delegate any of their powers to any committee consisting of one or more Directors "

1.5.10 Regulations 73 to 77 (inclusive) shall not apply to the Company

2. AUTHORISED CAPITAL

The authorised share capital of the Company at the date of the adoption of these Articles is £100,000 divided into 775,000 "A" Ordinary Shares of £0 10 each (the "**A Ordinary Shares**") and 225,000 Ordinary Shares of £0 10 each (the "**Ordinary Shares**") having attached thereto the respective rights set out herein

3. INCOME

3.1 Subject to any restrictions on payment of dividends imposed by law or the Subordination Agreement, the Company may pay to the holders of shares in the Company such dividends (if any) as the Board (with the prior consent of the "A" Director) shall recommend and the holders of a majority in nominal value of the shares in the Company entitled to attend and vote at general meetings of the Company shall approve

3.2 No dividends shall be declared or paid on any class of share and no sum shall be set aside as reserves (unless required by law) nor profits available for distribution shall be carried forwards unless and until

3.2.1 all interest payable in respect of the Loan Notes shall have been paid in full,

3.2.2 any Loan Notes due to be repaid according to the terms of the Loan Note Instrument shall have been fully repaid, and

3.2.3 the facilities made available under the Credit Agreement have been discharged and cancelled in full

3.3 The following Regulations of Table A shall not apply 102, 103, 105, 107 and 118 Regulation 110 shall be modified by the provisions of Article 3 2

3.4 The "A" Ordinary Shares and the Ordinary Shares shall rank *pari passu* as regards any dividend or other distribution paid on any shares

4. CAPITAL

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied in accordance with and in the order of priority set out in the table below. In the case of the first and second, priorities set out below, the priority amount payable shall be the subscription price, and in the case of the third priority, the priority amount payable shall be as set out below

Kind of Share	Priority
"A" Ordinary	first
Ordinary	second
"A" Ordinary and Ordinary third	the balance of assets pari passu as though one class of shares

5. VOTING

5.1 Every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every share held by such member

5.2 Where a member who is or was a Director or employee of the Company or any subsidiary of the Company or a member of his Family or a Family Trust has served or is deemed to have served a Transfer Notice, such holder(s) of the Sale Shares specified in such Transfer Notice shall not be entitled to attend or vote at any general meeting. Provided that if and for so long as a member who has served or is deemed to have served a Transfer Notice remains the holder of such Sale Shares after the expiry of six months after the service or deemed service of such Transfer Notice such member shall be entitled to the rights to attend and vote at general meetings which he would have had but for this Article

6. CLASS RIGHTS

6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or aggregated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of 75 per cent in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis apply, save that the necessary quorum shall be two persons at least holding issued shares of the class (but so that if at any adjourned meeting of such holders a quorum, as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class the sole shareholder shall be a quorum), and that the holders of shares of the class shall, on a poll have one vote in respect of every share of the class held by them respectively

6.2 The special rights attached to the Ordinary Shares shall be deemed to be varied -

6.2.1 by the issue or creation of additional Ordinary Shares unless the same shall have been approved or ratified by the Board,

6.2.2 by any material alteration to these Articles, or

6.2.3 by any material alteration to the Loan Notes which is prejudicial to the Company

provided that the foregoing provisions of this article 6 shall cease to apply in relation to the Ordinary Shares for so long as there is non payment of any monies due under the Credit Agreement or for so long as a Default (as defined in the Credit Agreement) subsists or in the event that the Ordinary Shares and the A Ordinary Shares have negligible value and in those events for so long as such Default or event subsists, any class rights attaching to the Ordinary Shares shall cease to be rights attaching to the Ordinary Shares as a class of shares for the purposes of Section 125 of the Act

7. FURTHER ISSUES OF SHARES

7.1 Subject to any direction to the contrary which may be given by ordinary or other resolution, and subject to any statutory provisions the unissued shares (whether forming part of the present or any increased capital) of the Company shall be at the disposal of the Directors who are hereby generally and unconditionally authorised for the purposes of section 80 of the Act to allot relevant securities (as defined in section 80(2) of the Act) up to the maximum nominal amount set out in Article 7 2 below and they may offer, allot, grant options or otherwise dispose of them in accordance with the provisions of Section 89(1) and Section 90(2)-(6) of the Act as modified by Article **Error! Reference source not found.** below **PROVIDED THAT** any allottee other than an employee or director of the Company or any of its subsidiaries, a member of such a person's Family or their Family Trust, shall become bound to the terms of the Subordination Agreement by executing a deed supplemented thereto

7 2 The maximum amount of relevant securities that may be the subject of allotment under such authority shall be the amount by which the nominal amount of the authorised share capital of the Company exceeded the nominal amount of the issued share capital of the Company at the date of adoption of these Articles, such authority shall expire on the date five years from the date immediately preceding that on which the resolution adopting these Articles is passed save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement accordingly, the amount of a relevant security shall, in the case of a share in the Company, mean its nominal amount and, in the case of a right to subscribe for, or to convert any security into, shares in the Company, the nominal amount of the number of such shares which would be required to satisfy such right (assuming full exercise)

7.3 Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of, and shall be subject to the same provisions with reference to transfer and otherwise as, the existing share capital

7.4 Not used

8. TRANSFER OF SHARES

8.1 Except as hereinafter provided in Article 10 (Permitted Transfers) and Article 9 (Change of Control) and subject to the further provisions of this Article 8 no shares shall be transferred unless and (1) until the provisions of Article 13 (Procedure on Transfer) have been

complied with, and the Directors shall decline to register any transfer not made in accordance with the provisions of these Articles or of shares on which the Company has a lien and (2) if the transferor is a party to the Subordination Agreement, the transferee executes an Accession Agreement and delivers the same to the Security Trustee (as such terms are defined in the Subordination Agreement)

8.2 Except where a transfer is permitted pursuant to Article 10 or except where a transfer is required to be given pursuant to Article 12, a member ("**Vendor**") wishing to transfer his shares or any of them shall give notice in writing (a "**Transfer Notice**") to the Company specifying -

8.2.1 the shares which he desires to transfer (and where the member so desires that any offer of shares shall be made in a unit such unit may comprise its Loan Notes in the ratio which the relevant member's total holding of shares and such Loan Notes bear to each other,

8.2.2 the name of any third party to whom he proposes to sell or transfer the shares, and

8.2.3 the price at which he proposes to transfer the shares

8.3 If the Vendor, not being a Vendor under a Transfer Notice pursuant to Article 12 (Compulsory Transfer), includes in the Transfer Notice a provision that unless all the shares comprised therein are sold none shall be sold then the Offer Notice given by the Company pursuant to Article 13 shall refer to such provisions and shall be construed accordingly and the Vendor shall not be obliged to complete any sales unless such provision is complied with in full

8.4 Any reference to the transfer of a share in these Articles shall include the transfer or purported transfer of the beneficial ownership of such share

8.5 Not used

8.6 No share shall in any circumstances be issued or transferred to any infant, bankrupt or person of unsound mind

8.7 Without the consent in writing of 75% of the holders of the A Ordinary Shares the Company shall not -

8.7.1 register any transfer of any of its shares other than by a permitted transfer in accordance with Article 10,

8.7.2 admit any new member (whether by subscription or transfer) other than by a permitted transfer in accordance with Article 10

8.8 No disposition, charge, mortgage or encumbrance of or agreement so to dispose, charge, mortgage or encumber the legal or beneficial interest in any Ordinary Share (other than by a permitted transfer in accordance with Article 10 or a deemed transfer in accordance with Article 12) shall be made without the consent in writing of 75% of the holders of the "A" Ordinary Shares. If any such member has in contravention of this provision charged, mortgaged or in any way encumbered any of his shares or agreed to do so, then if under any circumstances any third party enforces any rights in respect of such shares as a result of such charge, mortgage or encumbrance or agreement, then such member shall be

deemed to have given a Transfer Notice to the Company and the provisions of Article 11 shall apply

8.9 If an offer (the "**Offer**") is made by any person to acquire the entire issued equity share capital of the Company, and the Offer is accepted by the holders of 77.5% in nominal value of the A Ordinary Shares and the Ordinary Shares in aggregate, the holders of all A Ordinary Shares and Ordinary Shares shall if the Offer is recommended by the Board and the Board has been advised in writing by a reputable Merchant Bank in the U.K. that the terms of the Offer are fair and reasonable and in the interests of all the Shareholders, be bound to accept or be deemed to have accepted the Offer in respect of all of their shares

8.10 If the holders of the A Ordinary Shares or the Ordinary Shares (or any of them) shall make default in transferring their shares pursuant to the acceptance or deemed acceptance of the Offer the provisions of Article 13.9 (references therein to the Vendor, Sale Shares and Applicant being read as references to the holder making such default, the shares in respect of which such default is made and the person making the Offer respectively) shall apply to the transfer of such shares mutatis mutandis but the Transfer Price shall be the price offered for such shares pursuant to the Offer

8.11 Notwithstanding any provisions contrary to the Articles, the Directors shall not decline to register any transfer of shares (the "**Transfer Shares**"), nor may they suspend the registration of those transfers, where the transfer -

8.11.1 is to any bank, institution or other person to which the Transfer Shares have been charged by way of security, or to any nominee of that bank, institution or other person (or any of their agents or security trustee) (a "**Secured Institution**"), or

8.11.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect the Secured Institution's security over the Transfer Shares, or

8.11.3 is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under security granted to the Secured Institution,

8.12 The Directors shall forthwith register any duly stamped transfer of the Transfer Shares to which Article 8.11 applies on receipt of that transfer and, notwithstanding any provisions to the contrary contained in these Articles,

8.12.1 no transferor of any Transfer Shares in the Company or proposed transferor of the Transfer Shares to a Secured Institution or its nominee, and

8.12.2 no Secured Institution or its nominee,

shall be required to offer the Transfer Shares to any shareholders of the Company and no shareholder shall have any right under these Articles or otherwise to require the Transfer Shares to be transferred to them

9. TRANSFER OF CONTROL

9.1 No sale or transfer of any share (the "**Specified Shares**") conferring the right to vote at general meetings of the Company shall, if resulting (if made and registered) in a person (or persons) (other than an Investor (as defined in the Investment Agreement)) obtaining or

increasing a controlling interest in the Company, be made or registered unless not less than 14 days before the transfer is lodged for registration the proposed transferee or his nominee has offered to purchase all of the issued shares of the Company at the Specified Price as hereinafter defined such offer to remain open for acceptance for not less than 21 days other than a transfer in accordance with Articles 10 1 and 10 2

9.2 For the purpose of Article 9 1 above

9.2.1 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment or renounceable share certificate and the original allottee and the renounce under any such letter of allotment or certificate,

9.2.2 the expression "a controlling interest" shall mean in the case of any person (or persons) the legal or beneficial ownership by a person or his connected persons (as defined in Section 839 of the Taxes Act) of 30% of the shares having an unrestricted right to vote at a general meeting of the Company

9.2.3 the "**Specified Price**" shall mean a price per share at least equal to that offered by the proposed transferee or transferees for the Specified Shares together with all arrears and accruals of dividend or interest thereon together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares, and

9.2.4 in the event of disagreement about the calculation of the Specified Price it shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or its successors) whose decision shall be final and binding

9.3 The aggregate sale price for the shares sold or transferred shall be applied amongst the shareholders in the order and amounts set out in Article 4 in the same manner as if the same were a return of capital

9.4 The provisions of Article 8 shall apply to any sale or transfer of Specified Shares which has the result described in Article 9 1 (obtaining or increasing a controlling interest) but shall not apply to any offer to purchase all the issued shares of the Company pursuant to this Article 9 which has become unconditional

10. PERMITTED TRANSFERS

10.1 Subject to the proviso below, any member being a company may transfer without restriction as to price or otherwise all or any of its shares in the Company to an associated company, being the holding company or a subsidiary of a corporate member or a subsidiary of the holding company of a corporate member or, where the corporate member holds its shares in the Company as a nominee for or on trust whether directly or indirectly for an approved scheme or schemes as defined in Section 592(1) of the Taxes Act, any other nominee or trustee(s) whether direct or indirect of the same approved

scheme or schemes **PROVIDED THAT** if the relevant transferor is a party to the Subordination Agreement, the transferee shall execute an Accession Agreement and deliver the same to the Security Trustee (as such terms are defined in the Subordination Agreement)

- 10.2** Any member of the CIN Group may transfer any shares in the Company to any other member of the CIN Group For the purpose of this sub-Article "the CIN Group" means any person or company (and any nominee, trustee, holding company or subsidiary thereof) funds of which at the relevant time are under the management of CINVen Limited
- 10.3** Where a member holds shares as a nominee or trustee that member may transfer those shares to any other nominee or trustee, whether directly or indirectly, holding shares for the same beneficiaries
- 10.4** Any share may be transferred by a member who is an employee or Director of the Company or any subsidiary of the Company to a member of his Family or to a Family Trust **PROVIDED THAT** in the event that such transferor ceases to be a Director or employee of the Company or a Director or employee of any subsidiary of the Company such transferred shares held by such a member of the transferor's Family or Family Trust shall be subject to the provisions of Article 12 as if they still constituted part of the transferor's holding
- 10.5** Any person holding shares transferred to him pursuant to Article 10 4 shall be deemed to have irrevocably appointed the original transferor of such shares as his proxy in respect of such shares and no instrument of appointment shall be necessary to be deposited with the Company or any subsidiary of the Company
- 10.6** No transfer of any share by a member to a member of his Family or to a Family Trust shall be registered by the Directors unless the proposed transferee shall first have signed a declaration in a form satisfactory to the Directors acknowledging that the proposed transferee is bound by the provisions of Article 10 4
- 10.7** Any holder of A Ordinary Shares which is an investment fund may transfer such shares
- 10 7.1** to any unitholder, shareholder, partner or participant manager or principal adviser (or an employee or such manager or adviser) in any such fund,
- 10.7.2** to any other investment fund managed or advised by the same manager or principal adviser as the transferor, or
- 10.7.3** to a nominee or to a member of the same group of any of the persons referred to in Articles 10 7 1 and 10 7 2
- 10.8** In the event that any person to whom shares are transferred pursuant to this Article 10 ceases to be within the required relationship to the original transferee such shares shall be transferred back to the person who originally transferred them or to any other person falling within the required relationship and if the holder of such shares fails to transfer the shares in those circumstances such holder shall be deemed to have served a Transfer Notice and the provisions of Articles 13 shall apply mutatis mutandis provided that the Transfer Price shall be the fair value calculated as referred to in Article 12 4
- 10.9** Every transferee of a share in the Company shall enter into a Deed of Adherence in substantially the form set out in Schedule 6 of the Investment Agreement prior to such transfer and if in the case of any transferee pursuant to a transfer permitted by Articles

10 3 or 10 4, so requested by the Board shall undertake in writing to the Company and each of the other members, give a Transfer Notice in respect of those shares (and in default of giving such Transfer Notice shall be deemed to have given a Transfer Notice) if circumstances arise in which the transferor would have been obliged to give or deemed to have given a Transfer Notice had the transferor continued to hold such shares

10.10 Where any shares in the Company were held by any person (the "**Holder**") as trustee, nominee or otherwise on behalf of or at request or direction of any person (the "**Appointor**") the Holder shall, in addition to being bound by and having the benefit of these Articles as a result of its holding of such shares, be bound by and having the benefit of these Articles as if such shares were held by the Appointor and if not already bound by the Investment Agreement shall enter into a Deed of Adherence as if such shares had been transferred to the Holder by the Appointor

10.11 Any Holder may transfer shares in the Company to his Appointor

10.12 Any shares may be transferred pursuant to acceptance or deemed acceptance of an Offer pursuant to Article 8 9 or 8 10

10 13 Any Ordinary Shares may be transferred to a Manager (as defined in the Investment Agreement)

11. CONVERSION OF "A" ORDINARY SHARES INTO NON VOTING "A" ORDINARY SHARES

11.1 An "A" Ordinary Shareholder may convert any or all of his "A" Ordinary Shares into Non Voting Ordinary Shares of an equivalent par value credited with the same premium which is credited to such "A" Ordinary Shares ("**Non Voting "A" Ordinary Shares**") at any time by serving notice on the Company

11.1.1 The "A" Ordinary and Non Voting "A" Ordinary Shares rank *pari passu*

11.1.2 All references to "A" Ordinary Shares are deemed to include a reference to Non Voting "A" Ordinary Shares save as regards voting rights

11.1.3 Non Voting "A" Ordinary Shares do not entitle the Non Voting "A" Ordinary Shareholders to vote at general meetings of the Company

12. COMPULSORY TRANSFERS

12.1 Whenever any member of the Company who is an employee or Director of the Company or any subsidiary of the Company (the "**Departing Shareholder**") shall for any reason whatsoever cease to be such a Director or employee then 14 days after the date of such cessation such Departing Shareholder and any member to whom Ordinary Shares formerly held by such Departing Shareholder have been transferred, shall give or shall be deemed to have given a Transfer Notice to the Company indicating that he desires to transfer all his shares in the Company The Transfer Notice shall constitute the Company the agent for the sale of such shares in accordance with the provisions of Article 13 at the price provided in Article 12 3 or 12 4

12.2 Subject to Article 12 3, if the Departing Shareholder gives or is deemed to have given a Transfer Notice within the period set out in column 1 of the table below, the price ("**Transfer Price**") at which his shares shall be offered shall be that set out in column 2 of the table below

**Period since Shares Acquired by Price at which shares to be offered
Departing Shareholder**

Within first year	lower of (a) Cost of acquisition by Departing Shareholder (" COA ") or (b) fair value,
Within second year	lower of (a) aggregate of COA and one third of increase in value or (b) fair value,
Within third year	lower of (a) aggregate of COA and two thirds of increase in value or (b) fair value
Thereafter	fair value

12.3 Notwithstanding the provisions of Article 12 2, if the Departing Shareholder gives or is deemed to have given a Transfer Notice at any time for one of the following reasons, the price ("**Transfer Price**") at which his shares shall be offered shall be their fair value The reasons are

- 12.3.1** his retirement on reaching retirement age in accordance with his terms of employment,
- 12.3.2** his death,
- 12.3.3** his ill health or permanent disability,
- 12.3.4** his redundancy,
- 12.3.5** his dismissal where such dismissal is found by a tribunal or court of competent jurisdiction to have been unfair or wrongful,
- 12.3.6** because he is employed by a subsidiary or business of the Company which is disposed of

12.4 In determining the fair value of the shares to be offered pursuant to Article 12 2 or 12 3, the Company may propose to the Departing Shareholders a price which if accepted by the Departing Shareholder shall be deemed to be the fair value In the absence of agreement fair value shall be determined in accordance with Article 12 6

12.5 Subject to Article 12 5 fair value shall be the value as between a willing buyer and a willing seller determined and certified by an independent firm of Accountants chosen by the Board (the "**Independent Auditors**") acting at the cost and expense of the Company as experts and not as arbitrators and whose determination shall be final For the purposes of this sub-Article the Independent Auditors shall be instructed to value the Company as a whole and in particular

- 12.5.1** to have regard to the rights and restrictions attached to such shares in respect of income, capital, and conversion, and
- 12.5.2** to disregard the fact that such shares represent a minority interest

12.6 Regulations 29, 30 and 31 of Table A shall be applied subject to the provisions of this Article

13. TRANSFER PROCEDURE

- 13.1 A Transfer Notice once given shall not be withdrawn, save with the consent of the Directors
- 13.2 The Directors shall forthwith upon receipt or deemed receipt of a Transfer Notice (or as soon thereafter as the Transfer Price is determined), by notice in writing (the "**Offer Notice**") offer to the members of the Company in the order of priority set out in Article 13.6 the Sale Shares at the Transfer Price
- 13.3 The Offer Notice shall invite them to state in writing within forty-two days from the date of the Offer Notice whether they are willing to purchase any and, if so, how many of the Sale Shares
- 13.4 To the extent that such offer is waived, declined or not accepted within forty-two days the Directors shall forthwith issue further Offer Notices to members ranking next in priority as set out in Article **Error! Reference source not found.** and the same time limits and procedures shall apply mutatis mutandis
- 13.5 Neither the Vendor nor any member of his Family or any of his Family Trusts shall be eligible to purchase any Sale Shares
- 13.6 Not used
- 13.7 If any of the persons to whom Sale Shares are offered ("**Applicant**") within the said period of twenty-eight days applies for all or any of the Sale Shares then
- 13.7.1 if the number of shares applied for is equal to or less than the number of the Sale Shares, the Directors shall allocate the number applied for in accordance with the applications, or
- 13.7.2 if the number of shares applied for is more than the number of the Sale Shares the Directors shall allocate the Sale Shares as between the Applicants pro rata (as nearly as may be in the discretion of the Directors) to their holdings of shares of the relevant class, but so that no Applicant shall be allocated more shares than applied for
- 13.8 The Directors shall forthwith give notice (the "**Allocation Notice**") of the allocation of Sale Shares in accordance with Article 13.7 to the Vendor and each Applicant and shall specify in the Allocation Notice the number of Sale Shares allocated to each such Applicant and the place and time (being not later than seven days after the date of the Allocation Notice) at which the Applicant shall be bound to complete the sale of such Shares. The Vendor shall be bound, on receipt of payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Applicant named therein at the time and place therein specified
- 13.9 If the Vendor defaults in transferring the Sale Shares
- 13.9.1 the Chairman for the time being of the Company, or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose, shall be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Applicant,

- 13.9.2** the Directors may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Applicant in the register of members as the holder by transfer of the relevant Sale Shares,
- 13.9.3** the Directors shall forthwith pay the purchase money into a separate bank account in the Company's name and if and when the Vendor shall deliver up his certificate or certificates for the relevant Sale Shares to the Company he shall thereupon be paid the purchase money, without interest and less any sums owed to the Company by the Vendor pursuant to these Articles or otherwise,
- 13.9.4** if such certificate shall comprise any shares which the Vendor has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such shares
- 13 10** If the Directors shall not in accordance with the provisions of Article **Error! Reference source not found.** find Applicants or if a purchase fails to be completed
- 13.10.1** the Company shall be entitled to find purchasers (whether or not they are members of the Company) for such unpurchased shares, but
- 13.10.2** if it declines, fails or is unwilling to do so within 30 days of the expiration of the last of the periods referred to in Article 13 6, the Vendor may subject to the provisions of Article 8 at any time within three calendar months thereafter transfer any Sale Shares not sold to any person or persons at any price not being less than the Transfer Price **PROVIDED THAT**
- (a) if the Vendor has stipulated in the Transfer Notice that unless all the shares comprised therein are sold none shall be sold, the Vendor shall not be entitled, save with the written consent of all the other members of the Company, to sell some only of the Sale Shares comprised in the Transfer Notice to such third party, and
- (b) if the proposed transfer price is lower than the Transfer Price the Vendor shall first offer such shares at such proposed transfer price to the other members and the terms of Article **Error! Reference source not found.** shall apply to such offer mutatis mutandis
- 13.11** Regulation 25 of Table A relating to Directors' refusal to transfer shall be amended by changing "two months" to "30 days" Regulation 26 of Table A relating to suspension of registration of transfers shall be deleted Regulation 24(a) relating to refusal to transfer shall be amended by deleting the words "or at such other place as the Directors may appoint"
- 14. QUORUM AT GENERAL MEETINGS**
- Regulation 40 of Table A shall be amended by the addition of the words "A quorum must always include a member or members, or a proxy for a member, or a duly authorised representative of a corporation, holding in aggregate not less than 15% in nominal value of the A Ordinary Shares **PROVIDED THAT** where after the requisite notice of a General Meeting has been given and two successive meetings (not being adjourned meetings) have been inquorate due to the absence of a member or members or a proxy for a member or a

duly authorised representative of a corporation, holding in aggregate not less than 75% in nominal value of the "A" Ordinary Shares the quorum shall be reduced to two members present in person or by proxy "

15. NUMBER OF DIRECTORS

15.1 Regulation 64 of Table A shall be amended by the addition of the words "At all times there shall be sufficient space on the Board to permit the appointment (if not already appointed) of a Chairman, and an A Director "

15.2 Any Director or a member of the committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communication equipment whereby all persons participating in the meeting can hear and speak to each other and any Director or a member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting

16. RETIREMENT OF DIRECTORS

The Company shall be subject to Section 293 of the Companies Act 1985 save that the words "age of 65" shall be read for the words "age of 70" in that Section

17. DISQUALIFICATION

Regulation 81 shall be amended by the addition of the following events, requiring the office of a Director to be vacated

17.1 he becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs and the other Directors resolve that his office is vacated,

17.2 being an "A" Director a notice is served by a person entitled to give such notice on the Company removing him from office

18. DECLARATION OF INTEREST

18.1 Regulation 94 to Table A shall be amended by adding the following as an exception to the prohibition on a Director voting on matters in which he is interested

"(e) his interest arises by virtue of his being a Shareholder of the Company"

18.2 Regulation 95 of Table A shall be deleted so that a Director shall be counted in the quorum in relation to a resolution on which he is not entitled to vote by reason of the provisions of Regulation 94

19. INDEMNITY

Subject to the provision of the Act, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise 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 in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to

the affairs of the Company No Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the proper 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 Companies Act 1985 The Board shall have power to purchase and maintain for any Director or other officer of the Company and the Auditors insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence default, breach of duty or breach of trust of which he may be guilty in relation to the Company

20. SUBORDINATION AGRFRMENT

The rights of the members of the Company hereunder are subject, in all respects, to the terms of the Subordination Agreement

21. PROCEEDINGS OF DIRECTORS - OVERRIDING PROVISIONS

21 1 In this article, the following expressions shall have the following meanings

"**2006 Act**" means the Companies Act 2006, including in either case any statutory modification, replacement, replacement or re-enactment thereof from time to time in force

"**Board**" means the board of directors of the Company (or duly authorised committee thereof) from time to time

"**Parent**" means the company which is the holder of the entire issued share capital from time to time of the Company as carries the right to vote at a general meeting of the Company

21.2 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any higher number shall be two, except at such times as the Company has only one director in which case the quorum shall be one director and Regulation 89 shall be modified accordingly A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum

21 3 A director absent or intending to be absent from the United Kingdom may request the directors during his absence to send notice of meetings of the directors to him at such address within the United Kingdom as he may give to the Company for this purpose, but in the absence of such a request it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom Regulation 88 shall be modified accordingly

21.4 Any director (including an alternate director) may participate in a meeting of the directors or committee of the directors of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other A person so participating shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly Subject to the Companies Acts, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of directors is not physically present in the same place Such a 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 then is

- 21.5** If a situation arises or exists on or after 1 October 2008 in which a director has or could have a direct or indirect interest that conflicts, or may potentially conflict, with the interests of the Company (other than an interest arising in relation to a transaction or arrangement with the Company or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest), without prejudice to the provisions of Articles 21.7 to 21.9, the director concerned, or any other director, may propose to the Board that such situation be authorised, such proposal to be made in writing and delivered to the other directors or made orally at a meeting of the Board, in each case setting out particulars of the relevant situation. Subject to the 2006 Act, the directors may authorise such situation and the continuing performance by the relevant director of his duties as a director of the Company on such terms as they may think fit.
- 21.6** The relevant director shall not be counted in the quorum at the relevant meeting of the directors to authorise such situation nor be entitled to vote on the resolution authorising such situation.
- 21.7** Subject to compliance by him with his duties as a director under Part X of the 2006 Act (other than the duty in section 175(1) of the 2006 Act which is the subject of this Article 21.5), a director (including the chairman of the Company (if any) and any other non-executive director) may, at any time on or after 1 October 2008 be a director or other officer of, employed by or hold shares or other securities (whether directly or indirectly) in, or otherwise be interested, whether directly or indirectly, in Interfloor Group Limited or any other company which is a subsidiary undertaking of that company (a "**Group Company Interest**") and notwithstanding his office or the existence of an actual or potential conflict between any Group Company Interest and the interests of the Company which would fall within the ambit of that section 175(1), the relevant director
- 21.7.1** shall be entitled to attend any meeting or part of a meeting of the directors or a committee of the directors at which any matter which may be relevant to the Group Company Interest may be discussed, and to vote on any resolution of the directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant director at the same time as the other directors (save that a director may not vote on any resolution in respect of matters relating to his employment with the Company or other Group Company),
- 21.7.2** shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of any Group Company Interest, and
- 21.7.3** will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him by virtue of his Group Company Interest and otherwise than by virtue of his position as a director, if to do so would breach any duty of confidentiality to any other Group Company or third party.
- 21.8** Any director who has a Group Company Interest shall, as soon as reasonably practicable following the relevant Group Company Interest arising, disclose to the Board the existence of such Group Company Interest and the nature and extent of such Group Company Interest so far as the relevant director is able at the time the disclosure is made **PROVIDED** that no such disclosure is required to be made of any matter in respect of which the relevant director owes any duty of confidentiality to any third party. A disclosure made to

the Board under this Article 21 8 may be made either at a meeting of the Board or by notice in writing to the Company marked for the attention of the directors

- 21.9** Notwithstanding the provisions of Article 21 7 the Parent may at any time, by notice in writing to the Company, direct that any Group Company Interest or any such other actual or potential conflict of interest as a director may have submitted to the Parent for authorisation. If such a direction is made, the authorisation may be given by the consent in writing of the Parent. Upon such consent being given, the provisions of Articles 21 7 1 to 21 7 3 (in the case of a Group Company Interest) shall apply.
- 21.10** No contract entered into shall be liable to be avoided by virtue of
- 21.10.1** any director having an interest of the type referred to in Article 21 5 where the relevant situation has been approved as provided by that Article, or
- 21.10.2** any director having a Group Company Interest which falls within Article 21 7 or which is authorised pursuant to Article 21 9
- 21.11** The provisions of Articles 21 5 to 21 10 shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this Article 21 11 and Article 21 12 shall so apply. Any director may be interested in an existing or proposed transaction or arrangement with the Company provided that he complies with the 1985 Act (or, from 1 October 2008, the 2006 Act) and (if applicable) Regulations 85 and 86 of Table A.
- 21.12** Without prejudice to the obligation of each director to declare an interest in accordance with the 1985 Act (or, from 1 October 2008, the 2006 Act), a director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty. Having so declared any such interest or duty he may have, the director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted.
- 21.13** At such times as the Company has only a sole director his decisions and declarations of interest pursuant to Article 21 8 and/or Article 21 11 shall be recorded in writing and the written record shall be provided to the Parent.
- 21.14** The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of calling a general meeting and if there are no such directors remaining then the member(s) may call a general meeting.