

Company No. 04417189

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

INTERFLOOR INDUSTRIES LIMITED

(Adopted by Special Resolution passed on 19 August 2005 and amended by Special Resolution passed on 23 October 2008 and further amended by Special Resolution passed on 9 February 2015)

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1. PRELIMINARY

1.1 In these Articles

"Act" means the Companies Act 1985 (as amended),

"Table A" means Table A in the Companies (Tables A to F) Regulations 1986 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985. References to regulations are to regulations in Table A,

"Statutes" means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act for the time being in force concerning companies and affecting the Company

1.2 Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company

1.3 Regulations 8, 24, 39, 69, 73 to 78 inclusive, 87, 101 and 118 shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company

2. SHARES

2.1 The share capital of the Company at the date of the adoption of these Articles is £1,000,000 divided into 850,000 A Ordinary Shares of £1 each and 150,000 B Ordinary Shares of £1 each

2.2 Subject to the provisions of Articles 2.3 and 2.4 and to any directions which may be given by the Company in general meeting, the Directors may unconditionally exercise the power

of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) and without prejudice to the generality of the foregoing any shares created after the date of adoption of these Articles shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount

2.3 The maximum nominal amount of share capital which or in respect of which the Directors may allot, grant options or subscription or conversion rights, create, deal or otherwise dispose of in accordance with this Article shall be £1,000,000 or such other amount as shall be authorised by the Company in general meeting

2.4 The authority conferred on the Directors by Articles 2.2 and 2.3 shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles

2.5 The provisions of section 89(1) of the Act shall not apply to the Company

3. LIEN

3.1 The Company has no lien in respect of its shares (whether fully or partly paid)

4. TRANSFER OF SHARES

4.1 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

4.1.1 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

4.1.2 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

4.1.3 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

4.2 The Directors shall forthwith register any duly stamped transfer of the Transfer Shares to which Article 4.1 applies on receipt of that transfer and, notwithstanding any provisions to the contrary contained in these Articles

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

4.2.2 no Secured Institution or its nominee

4.2.3 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

4.3 Not used

5. GENERAL MEETINGS.

5.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution or a resolution appointing a person as a Director shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 days' notice but a general meeting may be called by shorter notice if it is so agreed.

5.1.1 in the case of an annual general meeting or a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote thereat, and

5.1.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right, or such lesser percentage, not being less than 90 per cent, as may be specified in or pursuant to any elective resolution passed by the Company.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and the auditors.

5.2 The following provisions of this Article apply if the Company has only a single member.

5.2.1 regulation 40 shall be modified by the insertion at the end of that regulation of the following proviso "provided that if the company has only a single member, the quorum shall be one such person", and

5.2.2 if the single member takes any decision which may be taken by the Company in general meeting and which has effect as if agreed by the Company in general meeting, the single member shall (unless the decision is taken by way of a written resolution) provide the Company with a written record of that decision. However, failure to do so shall not affect the validity of such decision.

5.3 Regulation 37 shall be modified by

5.3.1 the substitution of the words "seven weeks" for the words "eight weeks", and

5.3.2 the deletion of the second sentence thereof and by the addition at the end of the regulation of the following sentence "If the company has only a single member, such member shall be entitled at any time to call a general meeting".

5.4 Regulation 41 shall be modified by the addition at the end of that regulation of the following sentence "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. Provided that if the company has only a single member, the preceding provisions of this regulation as to adjournment shall not apply and, if within half an hour from the time appointed for

the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall be dissolved and shall not be adjourned "

- 5.5 A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote Regulation 46 shall be modified accordingly
- 5.6 A resolution in writing in accordance with regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that regulation The Directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of proceedings of a general meeting of the Company and to be signed by a Director or the secretary of the Company
- 5.7 At or before the time a proposed written resolution is supplied to a member for signature, the Directors and the secretary of the Company shall, if the Company has auditors, secure that a copy of the resolution is sent to them, or that they are otherwise notified of its contents
- 5.8 A proxy shall be entitled to vote on a show of hands and regulation 54 shall be modified accordingly

6. POWERS AND DUTIES OF DIRECTORS

- 6.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefore Notwithstanding its interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him Regulation 94 shall be modified accordingly
- 6.2 The Directors may exercise all the powers of the Company, without limit as to amount, to borrow and raise money and to accept money on deposit and to grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the company is empowered so to enter into

7. APPOINTMENT, REMOVAL AND DISQUALIFICATION OF DIRECTORS

- 7.1 Without prejudice to the powers of the Company under section 303 of the Act to remove a Director by Ordinary Resolution, the holder or holders for the time being of more than one half of the issued Ordinary Shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed Any such appointment or removal shall be

effected by an instrument in writing signed by the member or members making the same or (in the case of a member being a corporation) signed on its behalf by one of its directors or its secretary and shall take effect upon lodgement at the registered office of the Company

7.2 The office of a Director shall be vacated if he is removed from office under Article 8 1 Regulation 81 shall be modified accordingly

7.3 Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70, and any person proposed to be appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of 70, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of 70, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed as such

7.4 Regulation 86 shall be modified by the deletion of the third sentence of that Regulation

8. ROTATION OF DIRECTORS

8.1 The Directors shall not be liable to retire by rotation, and accordingly the second and third sentences of regulation 79 shall be deleted

9. ALTERNATE DIRECTORS

9.1 Any appointment or removal of an alternate Director made under Table A shall be delivered at the registered office of the Company In regulation 65 the words "approved by resolution of the directors and" shall be deleted

9.2 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct

9.3 Regulation 66 shall be modified by the deletion of the second sentence thereof

10. PROCEEDINGS OF DIRECTORS

10.1 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting

10.2 For a signed resolution under regulation 93 to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the Articles or by law from voting thereon Regulation 93 shall be modified accordingly

11. THE SEAL

- 11.1** If the Company has a seal, it shall only be used with the authority of the Directors or a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.
- 11.2** If the Company has a common seal, the Company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may by writing under the common seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such resolutions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the common seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

12. NOTICES

- 12.1** Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes. The third sentence of regulation 112 shall be deleted.
- 12.2** Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 shall be modified accordingly.
- 12.3** In the first sentence of regulation 112 the words "(or at such other address, whether within or outside the United Kingdom, as he may supply to the company for that purpose)" shall be inserted after "registered address".
- 12.4** A notice posted to an address outside the United Kingdom shall be deemed, unless the contrary is proved, to be given at the expiration of 7 days after the envelope containing it was posted and regulation 115 shall be modified accordingly.
- 12.5** Regulation 116 shall be modified by the substitution of the words "the address, if any, whether within or outside the United Kingdom" for the words "the address, if any, within the United Kingdom" in the first sentence thereof.

13. INDEMNITY AND RIGHT TO INSURE

- 13.1** Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every Director, alternate Director, Secretary or other officer of the Company (except the Auditors) may at the discretion of the board be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article 13.1 shall be deemed not to for, or entitle any such person to, indemnification to the extent that it would cause this Article 13.1, or any element of it, to be treated as void under the Act.

- 13.2** Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer (excluding the Auditors) or employee of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest whether direct or indirect or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee

14. PROCEEDINGS OF DIRECTORS - OVERRIDING PROVISIONS 14.1

- 14.1** 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

- 14.2** 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

- 14.3** 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

- 14.4** 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

- 14.5** 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 14.7 to 14.9, 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.
- 14.6** 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.
- 14.7** 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 14.7), 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
- 14.7.1** 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),
- 14.7.2** 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
- 14.7.3** 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.
- 14.8** 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 14 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

- 14.9** Notwithstanding the provisions of Article 14 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 14 7 1 to 14 7 3 (in the case of a Group Company Interest) shall apply.
- 14.10** No contract entered into shall be liable to be avoided by virtue of
- 14.10.1** any director having an interest of the type referred to in Article 14 5 where the relevant situation has been approved as provided by that Article, or
- 14.10.2** any director having a Group Company Interest which falls within Article 14 7 or which is authorised pursuant to Article 4 9
- 14.11** The provisions of Articles 14 5 to 14 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 14 11 and Article 14 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.
- 14.12** 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.
- 14.13** At such times as the Company has only a sole director his decisions and declarations of interest pursuant to Article 14 8 and/or Article 14 11 shall be recorded in writing and the written record shall be provided to the Parent.
- 14.14** 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.