

Company No. 05025036



The Companies Acts 1985 and 1989
Private Company Limited by Shares

ARTICLES OF ASSOCIATION
of
LEA VALLEY LIMITED

Definitions and interpretation

The following defines some words used in the Articles. After the Articles there is a glossary which explains various words and expressions which appear in the Memorandum and the Articles. The glossary is not part of the Memorandum or Articles and does not affect their meaning.

Articles means the Articles of Association of the Company

Act means The Companies Act 1985 and any amendments to or any re-enactment of that Act.

Memorandum means the Memorandum of Association of the Company

Table A means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and The Companies Act 1985 (Electronic Communications) Order 2000)

1 Preliminary articles

- 1.1 The regulations contained in Table A apply to the Company.
- 1.2 Words which refer to a single number also refer to plural numbers and the other way round.
- 1.3 Words which refer to males also refer to females and to companies.
- 1.4 References to a **person** or **people** include companies, corporations and unincorporated associations.

2 Allotment of shares

- 2.1 The directors of the Company will have full control of the shares which are part of the Company's authorised share capital. During the five years from the date of incorporation they may allot these shares and other relevant securities to people on terms and conditions as they see fit.

However, the directors may not issue more shares than are comprised in the authorised share capital. After the five year period the directors may allot the shares under any agreement or offer to do so which was made before the five year period ended. This authority may at any time be revoked, varied or renewed by ordinary resolution of the Company.

- 2.2 Unless there is a special resolution to direct otherwise, the Company will offer shares which the directors propose to allot and which are not part of the Company's authorised share capital when the Company became a corporation to the shareholders of the Company in proportion to the number of shares the shareholders already hold. The Company will offer these shares by notice for a limited period of at least 14 days after which time the offer will lapse. After that period the Company will offer any remaining shares to those who have already accepted all the shares the Company has offered them in proportion to the number of shares held before the original offer was made.
- 2.3 There may be shares left over which the directors cannot offer under the above provisions except as fractions. The directors may deal with these shares or with any shares released by special resolution (see above) as they think fit. However, the directors must not dispose of these shares on terms which are more favourable than the terms on which they were offered to the shareholders.
- 2.4 Article 2.2 has effect subject to Sections 80 (which defines how the directors may be authorised to allot shares), 80A (which defines how the duration of the authority may be extended) and 379A (which deals further with the extension of the authority) of the Act.
- 2.5 Under Section 91(1) of the Act, Sections 89(1) and 90(1) to (6) (inclusive) of the Act do not apply to the Company.
- 3 The Company has a lien over all shares including fully paid shares registered in the name of anyone who owes or has a liability to the Company. Regulation 8 of Table A which deals with liens over shares is modified accordingly.

4 Transferring shares

The directors may refuse to register a transfer of any share. They do not have to give any reasons for refusing. The first sentence of Regulation 24 of Table A which refers to partly paid shares only does not apply.

5 Transmission of shares

- 5.1 Regulation 31 of Table A does not apply to the Company and the following Article 5.2 applies instead.
- 5.2 If a shareholder dies or is declared bankrupt, the person who receives his shares will have the same rights as the shareholder except that until registered as the new shareholder, that person will not be entitled to attend and vote at any company meeting (also known as a shareholders' meeting) or at a meeting of the holders of the relevant class of shares (if there is more than one class). If the Company is without directors for any reason however the new shareholder will be entitled to vote on any resolution to appoint a new director before being registered as a shareholder.

6 General meetings and resolutions

- 6.1 Regulations 40 and 41 of Table A do not apply to the Company and articles 6.2 and 6.3 apply instead.

- 6.2 There must be a quorum present before a meeting starts to do business and throughout the meeting. A quorum is two people entitled to vote on the business. Each person must be a shareholder, a proxy for a shareholder or an authorised representative of a corporation. However, if the Company has only one shareholder, that shareholder in person or by proxy will be a quorum.
- 6.3 If there is no quorum present within half an hour of the time the meeting is due to start, the meeting will be adjourned until the same day the next week at the same time and place or to any other day, time and place the directors decide. If there is no quorum present at the adjourned meeting within half an hour of the time it is due to start that meeting will be dissolved.
- 6.4 Regulation 100 of Table A outlines the requirements of the directors to keep minutes of meetings and certain events. In addition the directors must record in the minute book of the Company:
- (a) all decisions taken by a sole shareholder where there is only one shareholder; and
 - (b) all written resolutions the Company has passed.

7 Appointing directors

- 7.1 Regulation 64 of Table A setting out the maximum and minimum number of directors does not apply to the Company.
- 7.2 The Company will decide by ordinary resolution the maximum and minimum number of directors. If the Company does not announce a decision there will be no maximum number of directors and the minimum number will be one. If there is only one director, that director will be able to exercise all the directors' powers set out in Table A and these articles. Regulation 89 of Table A regarding the number of directors which constitutes a quorum is modified accordingly.
- 7.3 Directors do not have to retire at any specific time. Regulations 73 to 77 (inclusive) and Regulation 80 of Table A regarding the retirement of directors do not apply to the Company. In Regulation 78 the words 'and may also determine the rotation in which any additional directors are to retire' are deleted.

8 Borrowing powers

The directors may use all the powers of the Company to borrow unlimited amounts of money on terms and in such a way as they think fit. Subject to Sections 80, 80A and 379A of the Act, they may also agree to a mortgage, charge or security over the business of the Company, its property and uncalled capital. They may issue debentures, debenture stock and other securities outright or as security for a debt, liability or obligation of the Company or any third party.

9 Alternate directors

Alternate directors are not entitled to any payment from the Company. The Company may pay them part of any amount the Company would otherwise pay to the person who appointed them if that person instructs the Company to do so in writing. The first sentence of Regulation 66 of Table A regarding the rights of the alternate director to receive remuneration for his services is modified accordingly.

10 Disqualifying directors

A director who can no longer manage or administer his affairs because of illness or injury must leave his office. Regulation 81 of Table A listing the events where directors must retire from office is modified accordingly.

11 Proceedings at directors' meetings

Directors can vote on any resolution, and shall form part of the quorum, at directors' meetings or meetings of committees of the directors as long as they declare any direct or indirect interest they may have in the matter under vote.

12 Directors and directors' committee members can take part in meetings by conference telephone call or other means of telecommunication as long as everyone involved in the meeting can hear each other. Directors and directors' committee members taking part in this way will be considered present at the meeting and will be entitled to vote and be counted in the quorum. The meeting will be recorded as taking place where the largest group of those taking part is gathered. If there is no such group, the meeting location will be recorded as the place where the chairman of the meeting is.

13 Indemnity

Subject to section 310 of the Act, all the directors, officers and auditors of the Company will be entitled to payments from the funds of the Company or insurance policies to cover any costs, charges or losses they have to pay in carrying out their duties.

14 Share certificates

In the second sentence of Regulation 6 of Table A with regard to the entitlement and issue of share certificates the words 'shall be sealed with a seal and' are deleted. Share certificates can only be issued if approved by the directors or a directors' committee. The share certificates must be signed by one director and the company secretary or two directors.

15 Company seal

Regulation 101 of Table A regarding usage of the company seal does not apply to the Company. The Company does not need to have a company seal. If the directors decide that the Company should, the seal must only be used with the approval of the directors or of a directors' committee. The directors may decide who should sign any document the seal is attached to. Unless they make a specific decision, this will be a director and the company secretary or two directors.

16 Secured Institutions

Notwithstanding anything to the contrary contained in these articles, any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a Secured Institution (as such term is defined in Article 17).

17 Notwithstanding anything contained in these articles, the directors shall promptly, following a Secured Institution having become entitled to exercise or enforce its rights under any such mortgage, charge and/or call or other option, register any transfer of shares and may not suspend registration thereof where such transfer:

- (a) is to the bank or institution to which such shares have been charged by way of security, whether as agent and security trustee for a group of banks or institutions or otherwise,

or to any nominee or any transferee of such a bank or institution (**Secured Institution**);
or

- (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to register the Secured Institution as legal owner of the shares or in order to transfer the shares to a third party upon disposal or realisation of shares; or
- (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under each security, and a certificate by any officer of the Secured Institution that the relevant transfer is within paragraph (a), (b) or (c) above shall be conclusive evidence of that fact.