

Company number 05928927

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

A & G ELECTRICAL DISTRIBUTORS LIMITED ("**Company**")

Passed on *9<sup>th</sup> NOVEMBER* 2017

The following resolution was duly passed as a special resolution by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006.

**RESOLUTION**

**THAT** the draft regulations attached to these written resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

Signed...  .....

Director



company number 05928927
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
A & G ELECTRICAL DISTRIBUTORS LIMITED
(Adopted by special resolution passed on 9 <sup>th</sup> NOVEMBER 2017)

## Introduction

### 1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

**Act:** means the Companies Act 2006.

**appointor:** has the meaning given in clause 11.1.

**Articles:** means the company's articles of association for the time being in force.

**A Share:** means an A ordinary share of £1.00 each in the capital of the company.

**Business Day:** means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

**company:** A & G Electrical Distributors Limited (CRN: 05928927).

**Conflict:** has the meaning given in clause 7.1.

**eligible director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

**Ordinary Shares:** means an ordinary share of £1.00 each in the capital of the company.

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI/ 2008/3229) as amended prior to the date of adoption of these Articles.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
  - 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - 1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".

- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

#### Directors

### **2 UNANIMOUS DECISIONS**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **3 CALLING A DIRECTORS' MEETING**

Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

### **4 QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to clause 7 to authorise a director's conflict, if there is only one eligible director in office other than the

conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 4.3.1 to appoint further directors; or
  - 4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **5 CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

## **6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
  - 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
  - 6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
  - 6.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
  - 6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
  - 6.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such

office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **7 DIRECTORS' CONFLICTS OF INTEREST**

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this clause 7 will be effective only if:
- 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this clause 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the

company's affairs where to do so would amount to a breach of that confidence;  
and

7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **8 RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

## **9 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than two.

## **10 APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in

writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

## **11 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- 11.1.1 exercise that director's powers; and
- 11.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

11.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

11.3 The notice must:

- 11.3.1 identify the proposed alternate; and
- 11.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## **12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

12.2 Except as the Articles specify otherwise, alternate directors:

- 12.2.1 are deemed for all purposes to be directors;
- 12.2.2 are liable for their own acts and omissions;
- 12.2.3 are subject to the same restrictions as their appointors; and
- 12.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

12.3 A person who is an alternate director but not a director:

- 12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 12.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- 12.3.3 shall not be counted as more than one director for the purposes of articles clause 12.3.

12.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

### **13 TERMINATION OF ALTERNATE DIRECTORSHIP**

13.1 An alternate director's appointment as an alternate terminates:

- 13.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 13.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 13.1.3 on the death of the alternate's appointor; or
- 13.1.4 when the alternate's appointor's appointment as a director terminates.

### **14 SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

### Shares

## **15 SHARE CAPITAL**

- 15.1 Except as otherwise provided in these Articles, the Ordinary Shares and the A Shares shall constitute separate classes of shares and shall have the following rights:

### **Income**

- 15.1.1 The distributable profits of the company which the shareholders or directors (as the case may be) resolve to distribute shall be distributed amongst the holders of the:-

15.1.1.1 Ordinary Shares;

15.1.1.2 A Shares; or

15.1.1.3 the Ordinary Shares and the A Shares,

in such proportions as may be determined by the shareholders or directors (as the case may be) and so that different amounts of dividend shall be able to be declared on the different classes of share.

### **Capital**

- 15.1.2 On a return of assets on liquidation or capital reduction or otherwise, the assets of the company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares and the A shares, in proportion to the number of shares held by them respectively.

### **Voting**

- 15.1.3 The Ordinary Shares shall carry the right to receive notice of, attend and vote at any general meeting of the company.

- 15.1.4 The A Shares shall not carry the right to receive notice of, attend or vote at any general meeting of the company.

- 15.2 On the transfer of any share as permitted by these Articles:

- 15.2.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and

- 15.2.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

- 15.3 The company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

## **16 FURTHER ISSUES OF SHARES: AUTHORITY**

- 16.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.

- 16.2 Subject to the remaining provisions of this article 16, the directors of the Company are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the company to:

16.2.1 offer or allot;

16.2.2 grant rights to subscribe for or to convert any security into; and

16.2.3 otherwise deal in, dispose of,

any shares (or options, warrants, conversion rights and all other rights to acquire or subscribe for shares) to any person, at any time and subject to any terms and conditions as the directors of the company think proper.

- 16.3 The authority referred to in clause 16.2:

16.3.1 shall be limited to a maximum nominal amount of £100.00 of A Shares;

16.3.2 shall only apply insofar as the company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

16.3.3 may only be exercised for a period of five years from the date of adoption of these Articles save that, subject to these Articles, the directors of the company may make an offer or agreement which would, or might, require any shares to be allotted after the expiry of such authority (and the directors of the company may allot shares in pursuance of an offer or agreement as if such authority had not expired).

## **17 FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

- 17.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company.

- 17.2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders holding Ordinary Shares on the date of the offer

on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:

17.2.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

17.2.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe.

17.3 Any equity securities not accepted by shareholders holding Ordinary Shares pursuant to the offer made to them in accordance with Article 17.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 17.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to the relevant shareholders in accordance with Article 17.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

17.4 Subject to Articles 17.2 and 17.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

## **18 PURCHASE OF OWN SHARES**

18.1 Subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

18.1.1 £15,000; and

18.1.2 the nominal value of 5% of the company's fully paid share capital at the beginning of each financial year of the company.

### Decision making by shareholders

## **19 POLL VOTES**

- 19.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 19.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

## **20 PROXIES**

- 20.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 20.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

### Administrative arrangements

## **21 MEANS OF COMMUNICATION TO BE USED**

- 21.1 Subject to clause 21.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 21.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - 21.1.2 if sent by fax, at the time of transmission; or
  - 21.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
  - 21.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
  - 21.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

- 21.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 21.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- 21.1.8 if deemed receipt under the previous paragraphs of this clause 21.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

21.2 To prove service, it is sufficient to prove that:

- 21.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 21.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 21.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 21.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

## **22 INDEMNITY**

22.1 Subject to clause 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

22.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

22.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

22.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, 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 the court grants him, in his capacity as a relevant officer, relief

from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

22.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in clause 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

22.3 In this article:

22.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

22.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## **23 INSURANCE**

23.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

23.2 In this article:

23.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

23.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

23.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.