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# THE COMPANIES ACT 1985 AND 2006

## COMPANY LIMITED BY SHARES

### MEMORANDUM OF ASSOCIATION

OF

### NEAL'S YARD REMEDIES (HOME) LIMITED

SATURDAY



1. The name of the Company is Neal's Yard Remedies (Home) Limited
2. The registered office of the Company will be situated in England
3. The objects for which the Company is established are
  - 3.1 To carry on business or businesses of general merchants, exporters, importers, manufacturers, factors, hirers, mail order dealers, brokers and dealers both wholesale and retail in all articles of commercial, industrial, scientific, surgical, manufacturing, personal and household use and consumption, ornament, recreation and amusement.
  - 3.2 To undertake and execute agency or commission work of all kinds and to act generally as agents, factors and brokers for the sale or purchase of goods and the provision of services and travel
  - 3.3 To carry on any other trade or business which can, in the opinion of the board of directors, be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses or the general business of the Company
  - 3.4 To purchase, take on lease or otherwise or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department of such business.
  - 3.5 To borrow or raise or secure the payment of money for the purpose of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society
  - 3.6 To mortgage and charge the undertaking and all or any of the real and personal property and assets present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with such rights, powers and privileges as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
  - 3.7 To make advances to customers and others with or without security, and upon such terms as the Company may approve, and to guarantee the liabilities, obligations and contracts of customers and

others, and the dividends, interest and capital of the shares, stocks or securities of any company of or in which this Company is a member or is otherwise interested

- 3 8 To lend money to such persons, upon such terms and with or without security and subject to such conditions as may seem desirable but this object shall only have effect in so far as its provisions are not in contravention of the Companies Act 1985 or the Companies Act 2006
- 3 9 To guarantee, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such means, the performance of, the obligations of and the repayment or payment of the principal amounts and of any premiums, interest and dividends on any securities of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company as defined by section 1159 of the Companies Act 2006 or another subsidiary as defined by the said section of the Company's holding company or otherwise associated with the Company in business
- 3 10 To receive money on deposit or loan upon such terms as the Company may approve, and generally to act as bankers for customers and others
- 3 11 To grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependents of such persons and to make contributions to any fund and to pay premiums for the purchase or provisions of any such pension, allowance, gratuity or bonus and to promote or assist financially whether by way of contributions, donations, the payment of premiums or otherwise, any fund or scheme for the benefit wholly or in part, of the same, and to establish and support, or to aid in the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or its predecessors in business or not, and to institute and maintain any club or other establishment or benefit fund or profit-sharing scheme calculated to advance the interests of the Company or of the officers of or persons employed by the Company and to act as trustee of any scheme established for the purposes aforesaid
- 3 12 To remunerate employees of the Company out of or in proportion to the profits of the Company or otherwise as the Company shall think fit, and to promote and give effect to any scheme or arrangement for sharing profits with employees, whether involving the issue of shares or not.
- 3.13 To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange, and other negotiable instruments
- 3 14 To invest and deal with the moneys of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as may from time to time be determined
- 3 15 To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities, which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine
- 3 16 To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or

mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired

- 3 17 To amalgamate with or enter into any partnership or arrangement for sharing profits, union of interest, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in any such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such company
- 3 18 To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on, or the carrying on of which is calculated to benefit this Company or to advance its interests, or possessed of property suitable for the purposes of the Company
- 3 19 To sell, improve, manage, develop, alter, exchange, let on lease or otherwise, turn to account, grant licences, options, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the freehold, leasehold or other property and assets for the time being of the Company for such consideration (whether moving to the Company or its members) as the Company may think fit.
- 3 20 To distribute among the members in specie any property of the Company, or any proceeds of sale on disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law
- 3 21 To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise
- 3 22 To do all such other things as are incidental or conducive to the above objects or any of them
- 3 23 To purchase and maintain policies of insurance in respect of sickness and accident, employers' liability, professional negligence, directors' and officers' liability and any other matter so far as this shall not be prohibited by the Companies Act 1985 or the Companies Act 2006
- 3 24 It is declared that the foregoing sub-clauses shall be construed independently of each other and the objects therein mentioned shall be neither limited nor restricted by reference to or inference from any other sub-clause or the name of the Company and neither shall they or any of them be deemed to be merely subsidiary to the objects contained in any other sub-clause.
- 4. The liability of the members is limited
- 5. The share capital of the Company is £1,000,000 divided into 1,000,000 ordinary shares of £1 each<sup>1</sup>.

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<sup>1</sup> The share capital of the Company was increased from £1,000 to £1,000,000 by the creation of 999,000 ordinary shares of £1 each by special resolution passed on 15 March 2010

**THE COMPANIES ACT 1985 AND 2006****COMPANY LIMITED BY SHARES****ARTICLES OF ASSOCIATION****OF****NEAL'S YARD REMEDIES (HOME) LIMITED**

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**I. PRELIMINARY**

1.1 In these Articles the following words and expressions have the following meanings

1985 Act	the Companies Act 1985 and every statutory modification or re-enactment of such Act for the time being in force,
2006 Act	the Companies Act 2006 and every statutory modification or re-enactment of such Act for the time being in force,
Act	the 1985 Act and/or the 2006 Act for the time being in force,
Chairman	the chairman of the Company for the time being,
Conflict	as defined in Article 14 I;
Directors	the directors of the Company for the time being,
Members	the members of the Company from time to time or any of them as the context shall provide,
Table A	Table A in the Companies (Tables A-F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985, the Companies (Tables A-F) (Amendment) Regulations 2007 and the Companies (Tables A-F) (Amendment) (No 2) Regulations 2007

1.2 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied by, or are inconsistent with, the articles set out in this

document and, together with the articles set out in this document, shall be the articles of association of the Company and shall be referred to as **“these Articles”**

1.3 Regulations 35, 76-79 (inclusive), 85, 86, 87, 94-98 (inclusive), 110 and 118 of Table A shall not apply to the Company

1.4 In these Articles, unless the context otherwise requires

1.4.1 the headings are for convenience only, have no legal effect and do not affect the interpretation of these Articles,

1.4.2 use of the singular includes the plural and vice versa,

1.4.3 use of any gender includes the other genders,

1.4.4 any reference to a statute, statutory provision or subordinate legislation (**“legislation”**) is reference to that legislation as amended, repealed or re-enacted from time to time and to any previous legislation repealed and re-enacted by that legislation and any regulations or orders made under any such provisions from time to time, whether before or after the date of these Articles;

1.4.5 any phrase introduced by the terms **“including”**, **“include”**, **“in particular”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms,

1.4.6 reference to individuals, persons or people includes corporations, companies, firms, partnerships, associations, governments, local and municipal authorities, states, foundations, trusts, personal representatives and trustees in bankruptcy, in each case whether or not having separate legal personality, and

1.4.7 **“holding company”** and **“subsidiary”** have the meanings given to them by section 1159 of the 2006 Act

## **2. SHARE CAPITAL**

2.1 The Company is a private company and no shares or debentures may be offered to the public

2.2 The authorised share capital of the Company is £1,000,000 divided into 1,000,000 ordinary shares of £1 each<sup>1</sup>.

2.3 Subject to the provisions of the Act and without prejudice to the rights attached to any existing shares, any share may be issued with or have attached to it such rights or restrictions as the Company may by special resolution determine

2.4 Subject to the provisions of Chapter VII of Part V of the 1985 Act, the Company may:

2.4.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or holder,

2.4.2 purchase its own shares (including any redeemable shares), and

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<sup>1</sup> The share capital of the Company was increased from £1,000 to £1,000,000 by the creation of 999,000 ordinary shares of £1 each by special resolution passed on 15 March 2010

- 243 make payments in respect of the redemption or purchase of any of its own shares under section 160 of the 1985 Act or (as the case may be) section 162 of the 1985 Act out of capital to the extent permitted by section 171 of the 1985 Act

### **3. ISSUE OF SHARES**

- 31 Subject to this Article 3 and to any election which may have been made by the Company in accordance with section 80A of the 1985 Act, the Directors are unconditionally authorised for the purposes of section 80 of the 1985 Act to allot, grant options or rights of subscription over or otherwise dispose of shares up to the amount of the authorised share capital from time to time during the period of 5 years from the date of adoption of these Articles, and such authority shall permit the issue of shares pursuant to an option granted before the authority has expired notwithstanding that such issue may occur in whole or in part after such expiry
- 32 In accordance with section 91 of the 1985 Act, sections 89(1) and 90(1) to 90(6) of the 1985 Act shall not apply to the Company

### **4. LIEN**

The Company shall have a first and paramount lien on all shares, whether or not fully paid, registered (whether as sole registered holder or as one of two or more joint holders) in the name of any person indebted or under liability to the Company for all moneys presently payable by him or his estate to the Company. The Directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article. Regulation 8 of Table A shall be modified accordingly

### **5. CALLS ON SHARES**

The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence in regulation 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

### **6. TRANSFER OF SHARES**

The Directors may, in their absolute discretion and without assigning any reason, decline to register any transfer of any share, whether or not it is a fully paid share. Regulation 24 of Table A shall not apply.

### **7. PROCEEDINGS AT GENERAL MEETINGS**

- 71 If, and for so long as, the Company has only one Member, all provisions of these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company which has only one Member.
- 72 In the case of a resolution duly proposed as a special resolution no amendment (other than an amendment to correct a patent error) may be considered. In the case of a resolution duly proposed as an ordinary resolution, no amendment (other than an amendment to correct a patent error) may be considered or voted upon unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the registered office of the Company or the chairman in his absolute discretion decides that it may be considered or voted upon. If an

amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling

- 7.3 Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company. The chairman may invite any person to attend and speak at any general meeting of the company whom the chairman considers to be equipped with knowledge or experience of the company's business to assist in the deliberations of the meeting. Regulation 44 of Table A shall be modified accordingly.

## **8. NUMBER OF DIRECTORS**

The number of the Directors shall be determined by ordinary resolution of the Company but unless and until so fixed there shall be no maximum number of Directors and the minimum number of Directors shall be one. In the event of the minimum number of Directors fixed by or pursuant to these Articles or Table A being one, a sole Director shall have authority to exercise all the powers and discretions expressed to be vested in the Directors generally and regulation 89 of Table A shall be modified accordingly.

## **9. APPOINTMENT OF DIRECTORS**

The Directors may appoint a person who is willing to act or to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with Article 8 as the maximum number of Directors and for the time being in force.

## **10. ALTERNATE DIRECTORS**

- 10.1 Any Director may appoint any person approved for that purpose by the Directors (such approval not to be unreasonably withheld or delayed) and willing to act to be his alternate and may remove from office an alternate Director so appointed by him. Regulation 65 of Table A shall not apply.
- 10.2 An alternate director may act as alternate director to more than one Director and is entitled at a meeting of the Directors or of a committee of the Directors to one vote for every Director that he acts as alternate director for in addition to his own vote (if any) as a Director, but an alternate director counts as only one Director in determining whether a quorum is present.
- 10.3 An alternate director is entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member; to attend and vote at any such meeting at which the Director appointing him is not personally present; and generally to perform all the functions of his appointor as a Director in his appointor's absence. But it is not necessary to give notice of such a meeting to an alternate director who is absent from the UK.
- 10.4 Unless otherwise determined by ordinary resolution of the Company, an alternate Director is not entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company direct and the Company may pay all travelling, hotel and other expenses properly incurred by an alternate director in connection with attendance at meetings of directors or meetings of committees of directors or otherwise in connection with the business of the Company.

## **11. RETIREMENT AND DISQUALIFICATION OF DIRECTORS**

- 11.1 No person shall be disqualified from being or becoming a director of the Company by reason of his attaining or having attained the age of 70 years or any other age
- 11.2 In addition to the circumstances set out in regulation 81 of Table A the office of Director shall be vacated if the Director is required by all the other Directors to resign by notice in writing served upon him

## **12. DELEGATION OF DIRECTORS' POWERS**

The following sentence shall be inserted after the first sentence of regulation 72 of Table A

Any committee of Directors shall have the power unless the Directors otherwise direct to appoint as a member or as members of the committee for any specific purpose any person or persons who are not Directors of the Company

## **13. PROCEEDINGS OF DIRECTORS**

Any Director may participate in a meeting of the Directors or of a committee of the Directors by means of conference, telephone, videolink or other form of communications equipment whereby all the Directors participating in the meeting can communicate interactively and simultaneously with all other parties participating in the meeting. The Directors participating in a meeting in this manner shall be deemed to be present in person at such meeting and shall be entitled to vote and to count in the quorum for that meeting

## **14. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST**

- 14.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest ("Conflict")
- 14.2 Any authorisation under this Article will be effective only if
  - 14.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors 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,
  - 14.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and
  - 14.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted
- 14.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)
  - 14.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,



14 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine,

14 3 3 be terminated or varied by the Directors at any time

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation

14 4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person the Director is under no obligation to

14 4 1 disclose such information to the Directors or to any Director or other officer or employee of the Company,

14 4 2 use or apply any such information in performing his duties as a Director,

where to do so would amount to a breach of that confidence

14 5 Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the Director

14 5 1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,

14 5 2 is not given any documents or other information relating to the Conflict,

14 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict

14 6 Where the Directors authorise a Conflict.

14 6 1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict;

14 6 2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation

14 7 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

## **15. NOTICES**

15.1 The Company can deliver a notice or other document, including a share certificate, to a shareholder

- 15 | 1 by delivering it by hand to the address recorded for the shareholder on the register,
  - 15 | 2 by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for the shareholder on the register,
  - 15 | 3 by fax (except for share certificates) to a fax number notified by the shareholder in writing,
  - 15 | 4 by electronic mail (except a share certificate) to an address notified by the shareholder in writing,
  - 15 | 5 by a website (except a share certificate) the address of which shall be notified to the shareholder in writing,
  - 15 | 6 by a relevant system, or
  - 15 | 7 by advertisement in at least two national newspapers
- 152 This Article 15 does not affect any provision in any relevant legislation or the Articles requiring notices or documents to be delivered in a particular way
- 153 If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the shareholder
- 154 If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered
- 15 4 1 24 hours after it was posted, if first class post was used, or
  - 15 4 2 72 hours after it was posted or given to delivery agents, if first class post was not used,
- provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was properly addressed and put into the post system or given to delivery agents with postage or delivery paid
- 155 If a notice or document (other than a share certificate) is sent by fax, it is treated as being delivered at the time it was sent
- 156 If a notice or document (other than a share certificate) is sent by electronic mail, it is treated as being delivered at the time it was sent.
- 157 If a notice or document (other than a share certificate) is sent by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 158 If a notice or document (other than a share certificate) is sent by a relevant system, it is treated as being delivered when the Company (or a sponsoring system participant acting on its behalf) sends the issuer instruction relating to the notice or document

- 15 9 If a notice is given by advertisement, it is treated as being delivered at midday on the day when the last advertisement appears in the newspapers

## **16. INDEMNITY**

- 16 1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs
- 16 2 Subject to the Act, the Company may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Company, or in relation to its affairs