

A Private Company Limited by Shares

**Articles of Association of Foelfach Stone
Limited.**



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Articles of Association of Foelfach Stone Limited.

1. Interpretation

1.1 In these Articles, unless the context requires otherwise:

"Act" means the Companies Act 2006, as amended, extended, consolidated or re-enacted from time to time;

"Business Day" means a day (other than a Saturday or Sunday) when clearing banks are open for general business in London;

"electronic means" has the meaning given in section 1168 of the Act; and

"Model Articles" means the model articles for private companies limited by shares set out at Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as in force on the date when these Articles become binding on the Company, and reference to a numbered Model Article is to the relevant article of the Model Articles.

1.2 In these Articles, unless the contrary intention appears, any reference to the singular includes the plural and vice versa and reference to any gender includes the other genders.

2. Applicability of Model Articles

2.1 The Model Articles apply to the Company save as inconsistent with these Articles.

2.2 Save as otherwise provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles.

3. Decision-making by directors

3.1 The general rule about decisions of the directors is that they must:

- (a) be a majority decision taken at a directors' meeting; or
- (b) take the form of a resolution in writing, copies of which have been signed by a majority of eligible directors or to which a majority of eligible directors has otherwise indicated agreement in writing, provided that the eligible directors signing or indicating agreement to the resolution would have formed a quorum at a directors' meeting.

3.2 References in Article 3.1(b) to eligible directors are to directors that would have been entitled to vote on the matter and have their votes counted if it had been proposed as a resolution at a directors' meeting.

3.3 Model Articles 7(1) and 8 do not apply.

3.4 Notice of a directors' meeting (or any adjournment thereof) given to a director by electronic means, if sent to an electronic address provided by the director for the purpose, is deemed to have been received by the director one hour after it was sent.

- 3.5 Entitlement to notice of a directors' meeting may be waived by a director by giving notice to that effect to the Company at any time before or after the meeting and such waiver does not affect the validity of the meeting or of any business conducted at it. Model Article 9(4) does not apply.
- 3.6 Directors may participate in a directors' meeting by means of a conference telephone, video conferencing facility or similar communications equipment which allows all persons participating in the meeting to hear each other. If all the directors participating in a meeting are not in the same place, the meeting is to be treated as taking place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Model Article 10 does not apply.
- 3.7 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on except a proposal to call another meeting. The quorum for a directors' meeting is two directors. Model Article 11 does not apply.
4. Directors' interests
- 4.1 A director, notwithstanding his office and that in this situation he has, or can have, a direct or indirect interest or duty that conflicts, or possibly may conflict, with the interests of the Company, may be:
- (a) appointed as director of the Company by notice in writing by any shareholder in accordance with these Articles;
 - (b) a shareholder or an employee or director or other officer of, or otherwise engaged by or interested in, any shareholder or any parent undertaking of any shareholder or any subsidiary undertaking of any parent undertaking of any shareholder;
 - (c) an employee or director or other officer of any subsidiary undertaking of the Company or any undertaking in which the company is otherwise interested;
 - (d) a beneficiary of any trust or trusts established for the benefit of employees and directors or former employees and directors of the Company.
- 4.2 The directors shall have no power to authorise any matter which would or might give rise to any breach of the duty of a director under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. For this purpose any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties
- 4.3 A director may from time to time disclose to any shareholder who has appointed him such information concerning the business and affairs of the Company as he sees fit.
- 4.4 A director is not required to disclose to the Company any confidential information he obtains in any capacity described in Article 4.1(b) or 4.1(c) or to apply any such information in performing his duties as a director of the Company, if to do so would result in a breach of a duty or obligation of confidence owed by him.
- 4.5 A director shall not be liable to account to the Company for any remuneration, profit or other benefit he derives directly or indirectly as a result of any situation described in Article 4.1 and no contract shall be liable to be avoided on the grounds of any such remuneration, profit or benefit.
- 4.6 A director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision making process for quorum and voting purposes

if his conflict of interest arises only from a situation described Article 4.1. Model Article 14 is modified accordingly.

5. Appointment and removal of directors

5.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by notice to the Company by a shareholder holding a majority of the total voting rights of all the shareholders having the right to vote at general meetings.

5.2 A shareholder holding a majority of the total voting rights of all the shareholders having the right to vote at general meetings may by notice to the Company remove from office any director (whether or not such director was appointed under Article 5.1).

5.3 Any appointment or removal of a director under Articles 5.1 or 5.2 must be made by notice in writing to the Company and takes effect on delivery to the registered office of the Company or at any directors' meeting or any later date specified in the notice.

5.4 These provisions apply in addition to Model Articles 17 and 18.

6. Alternate directors

Articles 13(3), 15 and 25 to 27 (inclusive) of the model articles for public companies limited by shares, set out at Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as in force on the date when these Articles become binding on the Company apply to the Company.

7. Allotment of shares

7.1 The directors shall not exercise any power to allot, or to grant rights to subscribe for or to convert any security into shares in the Company, or to sell any ordinary shares held by the Company as treasury shares, save to the extent authorised from time to time by ordinary resolution.

7.2 Sections 561 and 562 of the Act do not apply to the allotment of equity securities (within the meaning given by section 560 of the Act) by the Company.

8. Payment of dividends and other distributions

8.1 In Model Article 30(4), the words "the terms on which shares are issued" are replaced with "the rights attached to any shares".

8.2 In Model Articles 31(1)(a) to (c) (inclusive), the words "either" and "or as the directors may otherwise decide" are deleted, and in Model Article 31(d) the words "either" and "or by such other means as the directors decide" are deleted.

8.3 In Model Article 32(a), the words "the terms on which the share was issued" are replaced with "the rights attached to the share".

9. Administrative arrangements

9.1 Any communication by any shareholder to any other shareholder under these Articles may be sent in any way in which the Company may from time to time send or supply anything to that other shareholder under Model Article 48(1).

9.2 Anything sent or supplied by the Company to a shareholder, or by a shareholder to the Company, under and in accordance with the Act, or by the Company or a shareholder under and in accordance with these Articles, is deemed to have been received by the intended recipient:

- (a) if sent by post within the United Kingdom and the sender or supplier is able to show that it was properly addressed, prepaid and posted, two Business Days after it was posted;
- (b) if sent by post from outside the United Kingdom to an address inside the United Kingdom, or from inside the United Kingdom to an address outside the United Kingdom, and the sender or supplier is able to show that it was properly addressed, prepaid and posted, five Business Days after it was posted;
- (c) if sent or supplied by electronic means and the sender or supplier is able to show that it was properly addressed, one hour after it was sent.

9.3 A shareholder is entitled to inspect any of the company's accounting or other records. Model Article 50 does not apply.

10. Share transfers

Notwithstanding any other provision of these Articles, the directors shall not decline to register any transfer of any share where such transfer is:

- i. to any bank, institution or other person to which such shares have been charged by way of security, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a "Secured Institution"); or
- ii. delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
- iii. executed by a Secured Institution or its nominee pursuant to a power of sale of other power existing under such security,

and the directors shall register any such transfer of shares upon receipt and notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be required to offer the shares which are or are to be the subject of any transfer to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under the Articles or otherwise howsoever to require those shares to be transferred to them whether for any valuable consideration or otherwise.