

**THE COMPANIES ACTS 1985 TO 1989  
PUBLIC COMPANY LIMITED BY SHARES**

**MEMORANDUM AND ARTICLES OF ASSOCIATION**

**EHRMANNS GROUP PLC**  
Registered Number 1302718

Incorporated 15 March 1977

**FLADGATE FIELDER**  
Heron Place  
3 George Street  
London W1H 6AD  
Tel: 0171 486 9231  
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Ref:



**THE COMPANIES ACT 1985 AND 1989  
PUBLIC COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION  
of EHRMANNS GROUP PLC**

(As adopted by Special Resolution passed on 18 February 1992).

1. The Company's name is EHRMANNS GROUP PLC.

(The name of the Company changed from "Viniberia Limited" on 6 March 1992, by Special Resolution passed 18 February 1992).

2. The Company is to be a Public Limited Company.

(The Company was re-registered as a public limited company on 6 March 1992, by Special Resolution passed 18 February 1992).

3. The Company's Registered Office will be situate in England.

4. The Company's objects are:

(A) To carry on all or any of the businesses of bottlers, distillers, refiners, blenders, canners, packers, importers, exporters, manufacturers, distributors and agents for the sale of and dealers in wine, spirits, beers, ales, mineral and aerated waters, fruit squashes, cordials and other drinks, syrups, flavourings, mixtures, substances and materials of all kinds, and of, and in plant, machinery, bottles, syphons, jars, cases, barrels and other receptacles and apparatus and appliances of every description required for use in connection with such businesses; proprietors of off-licences, rectifiers, compounders, blenders, brewers, maltsters and yeast merchants, tobacconists and confectioners, hotel, club, restaurant and cafe proprietors, caterers and licensed victuallers, grocers and provision merchants, manufacturers, producers, packers, distributors, importers and exporters of, and dealers in groceries, provisions, foodstuffs, produce and comestibles of all kinds; general dealers and domestic store-keepers, merchants of, and dealers in household and domestic appliances, utensils and requisites of every description, proprietors of mobile and other shops, stores, market stalls and kiosks; furniture removers, haulage and transport contractors, general carriers, garage procreators and general merchants, agents, traders and dealers; and to manufacture, export, import, buy, sell and deal in plant, machinery tools, apparatus, appliances, materials, articles and produce of all kinds used in connection with the foregoing

businesses or any of them, or likely to be required by customers of any persons having dealings with the Company.

- (B) 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.
- (C) To acquire by purchase, lease, exchange, hire or otherwise or to hold for any estate or interest, any land, 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.
- (D) To erect, alter, or maintain any buildings, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (E) To acquire by subscription or otherwise and hold, sell, deal with or dispose of any Shares, Stock, Debentures, Debenture Stocks, or other Securities of any kind whatsoever guaranteed by any Company constituted or carrying on business in any part of the world and Debentures, Debenture Stock and other Securities of any kind guaranteed by any Government or Authority, Municipal, Local or otherwise, whether at home or abroad and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by the ownership thereof.
- (F) To receive money on deposit either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or on all or any of the assets of the Company, including uncalled capital, and generally to act as bankers.
- (G) To borrow and raise money in any matter and to secure with or without consideration the repayment of any money borrowed, raised, or owing by mortgage, charge, debenture, debenture stock, bond, standard security, lien or any other security of whatsoever nature upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, debenture stock, bond, standard security, indemnity, lien or security of whatsoever nature to secure and guarantee the performance by the Company or any other company or person (including, but without prejudice to the generality of the foregoing) the holding company of the Company or any company which is a subsidiary of such holding company within each case the meaning of Section 736 of the Act, of any obligation or liability it or such person or company may undertake or which may become binding

upon it or such person or company, and to secure any securities of the Company by a Trust Deed or other assurance and to enter into partnership or any joint purse arrangement with any person, persons, firm or company.

- (H) To lend money with or without security and to invest money of the company upon such terms as the Company may approve, and to guarantee 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, and generally as the Directors think fit.
- (I) To apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so required.
- (J) To take part in the formation, management, supervision or control of the business or operation of any Company and undertaking and for that purpose to appoint and remunerate any Directors, Accountants, Consultants, experts or agents.
- (K) To employ experts consultants and valuers to investigate and examine into the condition prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets property or rights.
- (L) To establish or promote or concur in establishing or promoting any other Company whose objects shall include the acquisition or taking over of all or any of the assets or liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or the interests of the Company and to acquire hold dispose of shares, stocks or securities issued by or any other obligations of any such other company.
- (M) To draw, accept and negotiate promissory notes, bills of exchange and other negotiable instruments.
- (N) To invest and deal with the monies 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 the Company may approve.
- (O) To pay for any property or rights acquired by the Company either in cash or in 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.

- (P) 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 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.
- (Q) To enter into arrangements for joint working in business or amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, 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 the Company.
- (R) To purchase or otherwise acquire take over or undertake all or any part of the business property, liabilities and transactions of any person, firm or company carrying on any business 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.
- (S) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, 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 property and assets for the time being of the Company for such consideration as the Company may think fit.
- (T) To provide for the welfare of persons employed or formally employed by the Company and to grant pensions, allowances, gratuities and bonuses to officers or ex-officers employees or ex-employees of the Company of its predecessors in business or of any associated company of the Company or its predecessors in business of the spouse relatives and dependants of such persons and to establish and maintain or concur in maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other funds for any such persons as aforesaid or their spouse, relatives or dependants.
- (U) To subscribe to or otherwise aid 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 or maintain any club or other establishment.

- (V) To distribute in specie assets of the Company properly distributable amongst the members 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.
- (W) To do all or any of the things hereinbefore authorised, either alone or in conjunction with others, or as factors, trustees or agents for others, or by or through factors, trustees or agents.
- (X) To do all other things as are incidental to or which the Company may think conducive with the above objects or any of them.

The objects set forth in any subclause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such subclause or by the name of the company. None of such subclauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other subclause, but the company shall have power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said subclauses.

- 5. The liability of the members is limited.
- 6. The Share Capital of the company is £2,000,000 divided into 250,000 A Ordinary Shares of 50p each ("A" shares"), 1,000,000 B Ordinary Shares of 50p each ("B" shares), 100,000 Employee Shares of 50p each ("Employee Shares") and 2,650,000 Ordinary Shares of 50p each ("Ordinary Shares"). The shares in the original or any increased capital may be divided into several classes and there may be attached to them respectively any preferential deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

\* The Share Capital was increased to £1,000,000 by an Ordinary Resolution passed on 10 October 1990.

The Share Capital was increased to £2,000,000 by a Special Resolution passed on 1 July 1993.

WE the several persons whose Names, Addressed and Descriptions are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

**NAME ADDRESSES AND  
DESCRIPTIONS OF SUBSCRIBERS**

**NUMBER OF SHARES TAKEN BY EACH  
SUBSCRIBER**

MICHAEL RICHARD COUNSELL  
15 Pembroke Road  
Bristol BS99 7DX

ONE

Commercial Manager

MICHAEL KODOLS  
15 Pembroke Road  
Bristol BS99 7DX

ONE

Commercial Manager

Dated the 25th day of February 1977

Witness to the above Signatures:

DAWN BENNETT  
15 Pembroke Road  
Bristol BS99 7DX

**THE COMPANIES ACTS 1985 AND 1989  
PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION  
of EHRMANN'S GROUP PLC**

(As adopted by Special Resolution passed on 18 February 1992 and amended by Special Resolutions passed on 1 July 1993 and 26 February 1998.)

**PRELIMINARY**

1. (a) Subject as hereinafter provided, the Regulations contained in Table A of the Companies (Tables A to F) Regulations 1985 (hereinafter referred to as Table A) shall apply to the Company.
- (b) Regulations 24, 35, 40, 73, 74, 75 and 77 to 81 inclusive of Table A shall not apply to the Company.
- (c) The expressions "relevant securities" and "equity securities" wheresoever appearing herein, shall bear the meanings ascribed to them by the Act.

**SHARE CAPITAL**

2. (A) (i) The Share Capital of the Company is £2,000,000 divided into 250,000 A Ordinary Shares of 50p each ("A" shares"), 1,000,000 B Ordinary Shares of 50p each ("B" shares), 100,000 Employee Shares of 50p each ("Employee Shares") and 2,650,000 Ordinary Shares of 50p each ("Ordinary Shares"). The shares of the said respective classes shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions hereinafter appearing.
- (ii) The "A" Shares shall be offered back to the Company in the circumstances set out in and in accordance with the provisions of Article 7 and subject to this provision shall rank pari passu in all respects with the existing Ordinary Shares of the Company.
- (B) (i) The "B" Shares shall be offered back to the Company in the circumstances set out in and in accordance with the provisions of Article 7 and the holders of "B" Shares shall have no right to receive notice of or attend to vote at any General Meeting of the Company and shall have no right to



receive any amount distributed by way of dividend but shall otherwise rank pari passu in all respects with the holders of the Ordinary Shares of the Company.

(ii) On a Realisation (as defined in article 2(B)(iii)) the "A" Shares and the "B" Shares will be automatically converted to Ordinary Shares at the rate of 1 Ordinary Share for each "A" Share or "B" Share (as the case may be).

(iii) For the purposes of this Article the following terms shall have the following meanings:

"Controlling Interest" shall mean an interest (within the meaning of Sections 346 and 736 of the Companies Act 1985) in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;

"Realisation" shall mean the moment immediately before Listing or Takeover whichever is the earlier;

"Listing" shall mean the listing of all or any of the ordinary share capital of the Company on The London Stock Exchange becoming effective or the grant of permission for the same to be traded on the Alternative Investment Market or any other public securities market;

"Takeover" shall mean the sale or transfer of all the assets and undertaking of the Company or the sale or transfer of the legal or beneficial interest in any shares in the Company whereby as a result of such sale or transfer and registration thereof a Controlling Interest is obtained in the Company:

(i) by a company or person or persons who was or were not a member or members of the Company on the date of adoption of these articles; or

(ii) by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the July 1993 Edition of the City Code on Takeovers and Mergers) with any member of the Company has or as a result of such sale or transfer will have a Controlling Interest.

(C) (i) The Employee Shares shall be offered back to the Company in the circumstances set out in and in accordance with the provisions of Article 7 and the holders of Employee Shares shall have no right to receive notice of or attend or vote at

any General Meeting of the Company and shall have no right to receive any amount distributed by way of dividend but shall otherwise rank *pari passu* in all respects with the holders of the Ordinary Shares of the Company.

- (ii) On a Realisation (as defined in article 2(B)(iii)) the Employee Shares will be converted to Ordinary Shares at the rate of 1 Ordinary Share for 10 Employee Shares and so that any remaining Employee Shares that are less than 10 will also be counted as 1 Ordinary Share.

## SHARES

- 3. (a) Subject to the provisions of Table A and to the following provisions of these Articles, the Directors shall have authority to exercise any power of the Company to offer, allot or otherwise dispose of any shares in the Company, or any relevant securities, to such persons, at such times and generally on such terms and conditions as they think proper provided that (in so far as the Company in General Meeting shall not have varied, renewed or revoked the said authority):
  - (i) The Directors shall not be authorised to make any offer or allotment of shares in the Company, or grant any right to subscribe for, or to convert any securities into, shares in the Company if such allotment, or an allotment in pursuance of such offer or right, would or might result in the aggregate of the shares or stock in issue exceeding, in nominal value, the amount of the Authorised Share Capital at the date of adoption of these Articles, and such limitation shall determine the maximum amount of the relevant securities which at any time remain to be allotted by the Directors hereunder.
  - (ii) The period within which the said authority to allot relevant securities may be exercised shall be limited to five years, commencing upon the date of adoption of these Articles of the Company.
- (b) Any offer or agreement in respect of those relevant securities, which is made prior to the expiration of such authority and in all other respects within the terms of such authority, shall be authorised to be made, notwithstanding that such offer or agreement would or might require relevant securities to be allotted after the expiration of such authority and, accordingly, the Directors may at any time allot any relevant securities in pursuance of such offer or agreement.
- (c) The authority conferred upon the Directors to allot relevant securities may at any time, by Ordinary Resolution of the Company in General Meeting, be revoked, varied or renewed (whether or not it has been

previously renewed hereunder) for a further period not exceeding five years.

4. In accordance with Section 95 of the Act, the Directors shall have the power to allot equity securities as if Section 89(i) of the Act did not apply to the allotment by the Company. The shares comprised in the initial allotment by the Company shall be at the disposal of the Directors as they think proper but thereafter, unless otherwise determined by Special Resolution of the Company in General Meeting, any relevant securities shall, before they are allotted on any terms to any person, be first offered on the same or more favourable terms to each person who holds shares in the Company in the proportion which is, as nearly as practicable, equal to the proportion in nominal value held by him of the aggregate of such shares in issue.

Such offer shall be made by notice in writing specifying the number of shares offered and the period, being not less than twenty one days within which the offer, if not accepted, will be deemed to have been declined. After the expiration of such periods, or on receipt of notice of acceptance or refusal of every offer so made, the Directors may, subject to these Articles, dispose of such securities as have not been taken up in such manner as they think proper. The Directors may, in like manner, dispose of any such securities as aforesaid, which by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in the manner hereinbefore provided.

5. Subject to the provisions of Part V of the Act, the Company may:
- (a) pursuant to Section 159 of the Companies Act issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as shall be provided by the Articles of the Company;
  - (b) pursuant to Section 162 of the Companies Act 1985 purchase its own shares (including any redeemable shares) provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares shall be authorised by Special Resolution of the Company in General Meeting before the Company enters into the contract.

## **LIEN**

6. The lien conferred by Regulation 8 of Table A shall attach to all shares whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole holder thereof or one of two or more joint holders. The Company shall have a first and paramount lien on every share (not being fully paid) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (including fully paid

shares) registered in the name of any person indebted or under liability to the Company whether he be the sole holder thereof or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Regulation. The Company's lien, if any, on a share shall extend to all dividends payable thereupon.

## TRANSFER OF SHARES

- 7.        7.1        7.1.1        Except as Provided in article 7.12 any member or trustee in bankruptcy ("Proposed Transferor") desiring to sell, transfer or otherwise dispose of any "A" Share, "B" Share or Employee Share (but not Ordinary Share) which he holds must give notice in writing ("Transfer Notice") to the company at its registered office specifying such number of "A" Shares, "B" Shares or Employee Shares (as the case may be) held by him which he desires to transfer ("Shares"), the price ("Offer Price"), if any, at which the Shares are offered by him and the third party or parties, if any, to whom he proposes to transfer the Shares if they are not purchased by a member pursuant to the following provisions of this article.
- 7.1.2        The directors may require the Proposed Transferor to furnish them with such evidence as they require about the bona fide nature of the Offer Price, where such price has been offered by a third party purchaser to whom the member proposes to sell the Shares, and the identity of the proposed purchaser(s) ("Further Information"). The directors may refuse to offer the Shares for sale or to register the transfer if, in their absolute discretion, they determine that the Offer Price offered by such proposed purchaser and/or the willingness of the proposed purchaser to purchase the Shares are not for any reason bona fide.
- 7.1.3        A Transfer Notice will be revocable only with the consent of the directors.
- 7.2        The Transfer Notice will constitute the directors the agents of the Proposed Transferor for the sale of the Shares and the directors will, within 7 days or if later within 7 days of the receipt of the Further Information, if any, offer the Shares in writing to the other registered holders of Ordinary Shares "A" Shares and "B" Shares (but not Employee Shares) in proportion to their respective shareholdings (whether of Ordinary Shares, "A" Shares or "B" Shares) at the date of service of the Transfer Notice, unless they have determined pursuant to article 7.1.2 that the Offer Price and/or the proposed purchaser are not bona fide.

- 7.3      7.3.1      The offer made pursuant to article 7.2 ("Offer") must state:
- 7.3.1.1      the number of Shares offered;
- 7.3.1.2      the Offer Price, if any;
- 7.3.1.3      the third party or parties specified in the Transfer Notice, if any;
- 7.3.1.4      that, if the Offer is not accepted in writing within 30 days, it will be deemed to be declined;
- 7.3.1.5      that, if there is more than one member other than the Proposed Transferor and any such member wants an allotment of Shares in excess of his proportion, he should in his reply state how many excess Shares he wants; and
- 7.3.1.6      that, if there is only one member other than the Proposed Transferor and the Proposed Transferor has specified in the Transfer Notice all the Shares not owned by such other member claims all those Shares, he should in his reply state the name of his nominee to hold one or more of the Shares.
- 7.3.2      Subject to article 7.3.3, to the extent that members receiving the Offer do not claim their full entitlements to the Shares, the directors will immediately allocate the unclaimed Shares to satisfy the claims made in excess of such entitlements in proportions in which such claims are made. If any Shares are not capable, without fractions, of being offered to such members in proportion to their existing holdings, they will, to the extent that fractions would arise, be offered to such members in such proportions or in such manner as they may be determined by directors.
- 7.3.3      If a member does not wish to claim his full entitlement to the Shares offered to him, he may, with the prior approval of all the other members other than the Proposed Transferor, nominate any other person who is not a holder of the same class of shares as the Shares to accept the Offer in respect of those Shares which he does not wish to claim.
- 7.4      7.4.1      If no Offer Price was stated by the Proposed Transferor, the directors, immediately upon all the members to whom the Offer is made replying or, if earlier, upon the expiry of the period of 30 days referred to in article 7.3.1.4, will instruct the auditors for the time being of the company or, if the company does not have auditors, a chartered accountant

nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales ("Auditors") to certify the fair price of the Shares ("Fair Price").

- 7.4.2 Each member who accepts the Offer made may state in his reply that he accepts his Offer Price, if any. If any member accepting the Offer states in his reply that he does not accept the Offer Price or makes no reference to the Offer Price or if no Offer Price was stated by the Proposed Transferor, the directors, immediately upon all the members to whom the offer is made replying or upon the termination, it earlier, of the period of 30 days referred to in article 7.3.1.4, will instruct the Auditors to certify the Fair Price.
- 7.4.3 The fees and expenses of the Auditors will be paid as to one half by the Proposed Transferor and as to the balance by those members who have accepted the Offer in proportion to the numbers of Shares which they have respectively accepted.
- 7.5 The fair price is to be determined by the Auditors in their absolute discretion, acting as experts and not as arbitrators, as at the date on which the Auditors are instructed to determine the Fair Price.
- 7.6 Within 5 business days of the later of the expiry of the 30 day period referred to in article 7.3.1.4 or the notification, if any, of the Fair Price by the Auditors the company will inform the Proposed Transferor and all the company's other members of the final result of the Offer by written notice ("Sale Notice"). The Sale Notice will state the Offer Price or Fair Price, if any, the identities of the purchasers of the Shares and the number of Shares agreed to be Purchased by each of them.
- 7.7 The Fair Price will be binding upon the Proposed Transferor and any member who does not accept the Offer Price or does not refer to it in his reply.
- 7.8 If a member or members are willing to purchase all the Shares, the Proposed Transferor will be bound to transfer to each purchaser the number of Shares being purchased by him upon payment by such purchaser to the Proposed Transferor at the Offer price or the Fair Price as the case may be. Payment must be made within 14 days of the date of the Sale Notice.
- 7.9
  - 7.9.1 If a Proposed Transferor who has become bound to transfer the Shares defaults in transferring them, the directors may receive the purchase money which will be paid into a separate bank account.

- 7.9.2 The directors will within a reasonable period nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name and on behalf of the Proposed Transferor and, when such instrument or instruments have been duly stamped, the name of the relevant purchasing member or members will be entered in the register as the holder or holders of the relevant Shares and the directors will hold the purchase money in trust for the Proposed Transferor.
- 7.9.3 The receipt of the directors for the purchase money will be a good discharge to the relevant purchasing member or members and, after his or their names have been entered in the register in exercise of the power contained in article 7.9.2, the validity of the proceedings cannot be questioned by any person.
- 7.10 If the directors do not find a member or members willing to purchase all the Shares under articles 7.1.1 to 7.9, the Proposed Transferor will at any time within 90 days of the date of the Sale Notice be free to sell and transfer the Shares to the third party named in the Transfer Notice at the Offer Price.
- 7.11 Articles 7.1 to 7.10 do not apply:
- 7.11.1 to a transfer of shares for the purpose only of effecting the appointment of a new trustee;
- 7.11.2 in the case of a member being a holding company, to a transfer to its subsidiary or by a member being a subsidiary to its holding company or any other subsidiary of that company. If any such holding company or Subsidiary ceases at any time while a member to be such holding company or such a subsidiary, the provisions of this article will apply and a Transfer Notice will be deemed to have been served at such date as the company may determine at any time after becoming aware of the position.
- 7.12 Any such transfer as is referred to in article 7.11 will be subject to the decision of the Auditors as to whether any transfer of shares is or the holder of shares remains bona fide within the provisions of that article and any such decision will be final and binding.

- 7.13 A Transfer Notice will be deemed to have been given immediately in respect of any "A" Shares, "B" Shares or Employee Shares (but not any Ordinary Shares) which are:
- 7.13.1 registered in the name of a member who:
    - 7.13.1.1 dies and whose shares have not been transferred to the deceased member's legal personal representatives within 6 months of his death; or
    - 7.13.1.2 has a bankruptcy order made against him or enters into a voluntary arrangement or who, being a company, has an administrator or administrative receiver appointed or goes into voluntary or compulsory liquidation;
  - 7.13.2 registered in the names of members who are also directors or employees of the company upon their ceasing to be such directors or employees; or
  - 7.13.3 acquired in pursuance of rights or interests obtained by members in their capacity as directors or employees of the company who are not or have ceased to be such directors or employees at the time that such shares are acquired.
- 7.14 The holders of all the ordinary shares in the capital of the company may, if they all think fit, agree in writing to waive the provisions contained in articles 7.1 to 7.9.3 and 7.13 in any particular case.
- 7.15 Except as provided in these articles, the instrument of transfer of a share must be signed by or on behalf of the transferor, and in the case of a transfer of a partly paid share also by the transferee, and the transferor will be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. Regulation 23 is modified accordingly.
- 7.16 Regulations 24, 26 and 29 to 31 do not apply.
- 7.17 No interest in any share or shares can be disposed of or created by any means without a transfer of an equivalent number of shares being presented for registration, except in circumstances where a transfer of the share or shares concerned would be permitted under the provisions of these articles without the member giving a Transfer Notice.
- 7.18 Except for any transfer "A" Shares or "B" Shares in accordance with the preceding provisions of this article the directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share, whether or not it is a fully paid share.



8. The instrument of transfer of a fully paid share shall be executed by or on behalf of the transferor and in the case of shares which are not fully paid up, the instrument of transfer shall in addition be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered into the register of Members in respect thereof.

#### **PROCEEDINGS AT GENERAL MEETINGS**

9. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors. In regulation 38 of Table A, immediately after the words "place of the meeting and" there shall be inserted the words "in the case of special business".
10. At the end of regulation 38 of Table A there shall be inserted the following: "In every notice of a general meeting there shall appear the statement referred to in Section 372(3) of the Act, in relation to the right of members to appoint proxies".
11. No business shall be transacted at any Meeting unless a quorum is present. Two members entitled to attend at that Meeting, present in person, or by proxy or (in the case of a corporation) a duly authorised representative shall be a quorum. At the end of regulation 41 of Table A there shall be inserted the following: "If within half an hour from the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved."

#### **ALTERNATIVE DIRECTORS**

12. A Director may at any time appoint any other person (whether a Director or Member of the Company or not) to act as Alternate Director at any Meeting of the Board at which the Director is not present, and may at any time revoke any such appointment. An Alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company, but shall otherwise be subject to the provisions of Table A and of these presents with regard to Directors. An Alternate Director shall be entitled to receive notices of all Meetings of the Board and to attend and vote as a Director at any such Meetings at which the Director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the Director by whom he was appointed. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointee ceases for any reason to be a Director. Where a Director which has been appointed to be an Alternate Director is present at a Meeting of the Board in the absence of his appointee such Alternate Director shall have one vote in addition to his vote as Director. Every appointment or revocation of appointment of an Alternate Director shall be made by instrument in writing under the hand of the Director making or revoking such appointment

and such instrument shall only take effect on the service thereof at the registered office of the Company. The remuneration of any such Alternate Director shall be payable out of the remuneration payable to the Director appointing him and shall be agreed between the Alternate Director and the Director appointing him.

## **APPOINTMENT AND REMOVAL OF DIRECTORS**

13. The Directors may appoint a person who is willing to act 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 fixed by or in accordance with the Articles as the maximum number of Directors.
14. In addition and without prejudice to the provisions of Section 303 of the Act, the Company may by Ordinary Resolution remove any Director before the expiration of his period of office. Subject to the provisions of Table A and Section 303(2) of the Act, the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director. In regulation 38 of Table A the words "or a resolution appointing a person as a Director" shall be omitted.
15. The office of a Director shall be vacated if:
  - (a) he ceases to be a Director by virtue of any provision of the Acts or he becomes prohibited by law from being a Director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and, in relation thereto, he is admitted to hospital for treatment or an order is made by any court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - (d) he resigns his office by notice of the Company.

## **BORROWING POWERS**

16. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to Section 80 of the Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **DIRECTORS' INTERESTS**

17. Subject to the Act, a Director may vote in respect of any contract or arrangement in which he, or any person with whom he is connected, is

interested and be counted in the quorum present at any meeting of the Directors or, if otherwise so entitled, at any General Meeting of the Company at which any such contract or arrangement is proposed or considered, and if he shall so vote, his vote shall be counted. This Article shall have effect in substitution for regulations 94 to 98 inclusive of Table A, which regulations shall not apply to the Company.

## **INDEMNITY**

18. Every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

<b>NAME ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS</b>	<b>NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER</b>
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MICHAEL RICHARD COUNSELL  
15 Pembroke Road  
Bristol BS99 7DX

Commercial Manager

MICHAEL KODOLS  
15 Pembroke Road  
Bristol BS99 7DX

Commercial Manager

Dated the 25th day of February 1977

Witness to the above Signatures: