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## Articles of association

Jarratt Holdings Limited

Company number: 03635463

Date of incorporation: 21 September 1998

Adopted by a written resolution on 3rd February 2004

Jarratt Holdings Limited articles

**Roxburgh and Milkins LLP**

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**The Companies Act 1985**



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**Company limited by shares**

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**Articles of association**

**of**

**Jarratt Holdings Limited**

(Adopted by a written resolution on 31 February 2004)

**1. Preliminary**

The Company is a Private Company and, subject as provided in these Articles and except where the same are varied or excluded by or are inconsistent with these Articles, the regulations contained in Table A in the Schedule to the Companies (Tables A to F) "Regulations" 1985 as amended ("**Table A**") shall apply to the Company and shall be deemed to form part of these Articles. References in these Articles to Regulations are to regulations in Table A unless otherwise stated.

**2. Definitions**

In these Articles, unless the context otherwise requires, the following words have the following meanings:

<b>"the Act"</b>	the Companies Act 1985 but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;
<b>"A' Ordinary Shares"</b>	'A' ordinary shares of £1 each in the capital of the Company having the rights set out in Article 3;
<b>"A' Ordinary Shareholders"</b>	the holders of 'A' Ordinary Shares;
<b>"these Articles"</b>	these Articles of Association in their present form or as from time to time altered;
<b>"the Board"</b>	the board of Directors of the Company or a duly authorised committee of it or the

	Directors present at a meeting of the board of Directors of the Company or a duly authorised committee of it, in each case at which a quorum is present;
<b>"communication"</b>	includes a communication comprising sounds or images or both and a communication effecting a payment;
<b>"Director"</b>	a director of the Company;
<b>"electronic communication"</b>	<p>a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa):</p> <ul style="list-style-type: none"> <li>(a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or</li> <li>(b) by any other means but while in electronic form;</li> </ul>
<b>"Fair Price"</b>	<p>such price as shall be agreed between the Board and the proposing transferor as the fair price of such shares to be transferred or if the Board and the proposing transferor are unable to agree such price within 14 days of the date of the Transfer Notice or deemed Transfer Notice, such price as the Independent Accountant shall certify to be in his opinion the fair price of the shares concerned. In determining such fair price, which determination shall be final and binding on all parties, the Independent Accountant shall be instructed in particular:</p> <ul style="list-style-type: none"> <li>(a) to value the shares on a going concern basis as between a willing seller and a willing purchaser;</li> <li>(b) to disregard whether or not the shares represent a minority or a majority interest;</li> <li>(c) to disregard any other restrictions placed on the shares whether in these Articles or otherwise (other</li> </ul>

than Articles 3.2.2 and 3.3);

- (d) to take no account of whether the shares do or do not carry control of the Company;
- (e) that, in stating the Fair Price, the Independent Accountant (whose charges shall be borne by the Company) shall be considered to be acting as an expert and not as an arbitrator;

**"Independent Accountant"**

an independent accountant nominated by the party concerned and the Board, or in the event of disagreement as to nomination within 14 days, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of either party, who will determine the matter which he is appointed to determine in the capacity of expert and not arbitrator, whose determination shall be final and binding, and whose costs shall be borne by the relevant party as determined by the Independent Accountant;

**"Leaver"**

- (a) any shareholder who ceases, or has ceased, to be a Relevant Employee;
- (b) any person who becomes entitled to any shares on the death or bankruptcy of a Relevant Employee; or
- (c) any shareholder holding shares as a nominee for any person who ceases, or who has ceased, to be a Relevant Employee;

**"Ordinary Shareholders"**

the holders of Ordinary Shares;

**"paid up"**

paid up or credited as paid up.

**"Relevant Employee"**

an employee of the Company or a subsidiary of the Company;

**"Sale"**

the sale or transfer of any part of the share

capital of the Company to any person resulting in that person, together with any person who in relation to him is a connected person as defined in section 839 of the Income and Corporation Taxes Act 1988 or with whom he is acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of the these Articles), holding 50% or more of the Shares;

**"Shares"** the 'A' Ordinary Shares and the Ordinary Shares; and

**"Shareholders"** the holders of the 'A' Ordinary Shares and the Ordinary Shares.

### 3. Share capital

3.1 The share capital of the Company at the date of adoption of these Articles is £1000 divided into 100 'A' Ordinary Shares and 900 Ordinary Shares.

3.2 The A Ordinary Shares and the Ordinary Shares shall entitle the holders thereof to the following rights:

3.2.1 as regards dividends, the Company shall apply any profits which the Directors resolve thereafter to distribute in any such year in paying any profits to Shareholders in respect of their holdings of Shares *pari passu* and pro rata to the number of Shares held by each of them;

3.2.2 as regards capital on a return of assets on a liquidation, reduction of capital, winding-up of the Company or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed between the Shareholders in the following order of priority:

(a) first in paying to the 'A' Ordinary Shareholders, as a class, the aggregate sum of £300,000; and

(b) thereafter the balance of the proceeds, if any, shall be distributed to each of the holders of the 'A' Ordinary Shares and Ordinary Shares in proportion to the number of Shares held by them respectively as if the 'A' Ordinary Shares and the Ordinary Shares constituted one class of share;

3.3 Upon a Sale the Shareholders who sell shares in such Sale will be entitled to share in the proceeds thereof as if the same had been distributed under the provisions of Article 3.2.2.

**4. Pre-emption rights on issues of shares**

- 4.1 Unless otherwise determined by all of the holders of the Shares, any shares for the time being unissued shall, before they are issued, be offered to the existing holders of Shares in proportion, as nearly as may be practicable, to the number of existing Shares held by them respectively.
- 4.2 Such offer (as referred to in Article 4.1 above) shall be made by notice in writing to each such holder of Shares specifying the number of shares offered to him and the subscription price for such shares and inviting him to state in writing within such period as the Board may prescribe (being not less than fourteen days after the date of the notice) whether he wishes to accept any, and if so what number, of shares offered to him and whether he wishes to subscribe for shares in excess of his entitlement and, if so, what maximum number.
- 4.3 If within such period referred to in Article 4.2 above, such holders of Shares have expressed their willingness to accept all or any of the shares offered to them, such shares shall be so issued to them accordingly.
- 4.4 Any shares so offered to any such holder of Shares and not taken up within such period referred to in Article 4.2 shall be issued to those holders of Shares who have taken up their full entitlement of shares and who have indicated a willingness to subscribe for excess shares and such issue shall be in proportion, as nearly as may be practicable, to the number of excess shares which they have each expressed a willingness to take up but subject to the limitation that no shares shall be issued to any such holder of Shares in excess of the maximum number which he has expressed a willingness to subscribe.
- 4.5 Any shares not taken up pursuant to such offer (and any shares released from the provisions of this Article by all of the holders of the Shares pursuant to Article 4.1) shall be under the control of the Board who may allot, grant options over or otherwise dispose of the same to such persons on such terms and in such manner as it thinks fit provided that in the case of any shares not disposed of pursuant to the offer to the holders of Shares in accordance with this Article 4, such shares shall not be disposed of on terms more favourable than the terms on which they were offered to the holders of Shares. This Article shall have effect subject to Section 80 of the Act.
- 4.6 Pursuant to Section 91 of the Act, sub-section (1) of Section 89 and sub-sections (1) to (6) inclusive of Section 90 of the Act shall be excluded from applying to the Company.

5. **Transfers of shares**

No sale or transfer of the legal or beneficial interest in any shares in the Company may be made without the prior written consent of all the other Shareholders.

6. **Deceased and bankrupt shareholder provisions and Leavers**

6.1 Regulations 29, 30 and 31 of Table A shall be applied subject to the provisions of Articles 6.2 to 6.8 (inclusive).

6.2 A person entitled to a share in consequence of the death or bankruptcy of a Shareholder shall be bound at any time, if and when required in writing by the Board so to do, to give a notice in writing to the Company ("**a Transfer Notice**"), and if such person fails to give such Transfer Notice he shall be deemed to have served the Company with a Transfer Notice in respect of such shares, offering such shares (in such order of priority and in such proportions as the Board shall determine):

- (a) to be purchased by the Company (so far as it is legally able to do so); and
- (b) to be transferred to such persons as the Board (subject to the consent of all of the Shareholders other than the transferor) shall nominate; and
- (c) to be transferred to the holders of the other shares in the Company in accordance with Articles 6.4 to 6.7.

6.3 The Transfer Notice shall specify the shares offered ("**the Offered Shares**") and shall constitute the Directors as the agent of the proposing transferor for the sale of the Offered Shares in accordance with this Article 6 and the price at which such shares are offered shall be the Fair Price as at the date on which the Transfer Notice is either actually given or deemed to have been received by the Company

6.4 On receipt by the Company of the Transfer Notice the Directors shall as soon as practicable give notice to all the holders of shares (other than the proposing transferor) of the number and description of the Offered Shares being made available to the Shareholders (other than the proposing transferor) and the Fair Price. The notice shall invite each of the holders of shares to state in writing to the Company within 14 days whether he is willing to purchase any, and if so what maximum number ("**Maximum**"), of the Offered Shares. The Directors shall at the same time give a copy of the notice to the proposing transferor.

- 6.5 On the expiration of the 14 day period the Directors shall allocate such Offered Shares to or amongst those persons who have expressed a willingness to purchase Offered Shares ("**Purchasers**") as follows each allocation between Purchasers shall, in the case of competition, be made pro rata to the nominal amount of shares held by each of them but shall not exceed the Maximum which such holder shall have expressed a willingness to purchase.
- 6.6 On the allocation being made, the Directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the seventh day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively.
- 6.7 The proposing transferor shall be bound, on payment of the purchaser price, to transfer the Offered Shares to the persons nominated by the Board pursuant to Article 6.2 and the respective Purchasers to whom the allocation has been made (as appropriate) and if the proposing transferor, after becoming bound to transfer Offered Shares, fails to do so, the Company may receive the purchase price and the Directors may appoint a person to execute instruments of transfer of the Offered Shares in favour of the persons nominated by the Board pursuant to Article 6.2 and Purchasers to whom the allocation has been made (as appropriate) and shall cause the names of those transferees to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to the respective transferees and, after their names have been entered in the Register of Members of the Company under this provision, the validity of the transactions shall not be questioned by any person.
- 6.8 If the proposing transferor, fails to execute a contract recording the purchase of own shares in accordance with Article 6.2, the Directors may appoint a person to execute such contract on behalf of the proposing transferor and shall hold the purchase price in trust for the proposing transferor.
- 6.9 Within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the Board may serve a notice on the Leaver notifying him that he is, with immediate effect, deemed to have served one or more Transfer Notices in respect of all of his shares. The provisions of Article 6.2 to 6.8 shall apply to the shares and the Transfer Notice shall be deemed to have been received by the Company on the date on which the Company served notice on the Leaver



**7. Tag along**

No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if, as a result of such sale or transfer and registration thereof, a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert unless the proposed transferee or transferees or his or their nominees:

- (a) are independent third parties acting in good faith; and
- (b) has or have offered to purchase all the Shares (subject to Article 3) upon the same terms.

**8. Lien**

The lien conferred by Regulation 8 shall also attach to fully paid shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person, whether he shall be the sole registered holder of them or shall be one of two or more joint holders for all moneys presently payable by him or his estate to the Company. Regulation 8 shall be modified accordingly.

**9. Forfeiture**

The liability of any Shareholder in default of payment of a call shall, if the Board so directs, also include any costs and expenses suffered or incurred by the Company in respect of such non-payment and the powers conferred on the Board by Regulation 18 and the provisions of Regulation 21 shall be extended accordingly.

**10. Registration of transfers**

- 10.1 The Directors shall refuse to register a proposed transfer not made in accordance with Article 5.
- 10.2 The Directors may also refuse to register a transfer of a share on which the Company has a lien or which is not a fully paid share.
- 10.3 A person executing an instrument of transfer of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect of it.
- 10.4 The first sentence of Regulation 24 of Table A shall not apply.

**11. Proceedings at general meetings**

- 11.1 No business shall be transacted at any meeting unless a quorum is present at the time when the meeting proceeds to business. Subject to Article 11.2, two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation, shall be a quorum.
- 11.2 If the company has only one Shareholder, that sole Shareholder present in person or by proxy shall constitute a quorum.
- 11.3 If within half an hour from the time appointed for a general meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting, the meeting shall be dissolved.
- 11.4 Regulations 40 and 41 shall not apply to the Company.
- 11.5 A poll may be demanded at any general meeting by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

**12. Delegation of Directors' powers**

Any committee of the Board may consist of one or more co-opted persons other than Directors on whom voting rights may be conferred as members of the committee but so that:

- (a) the number of co-opted members shall be less than one-half of the total number of members of the committee; and
- (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

Regulation 72 shall be modified accordingly.

**13. Appointment and retirement of Directors**

- 13.1 The minimum number of Directors shall be one. The Quorum for the transaction of the business of the Directors may be fixed by the Board and unless so fixed at any other number, and where there is more than one Director, shall be two. In the event of there being a sole Director, he shall have all the powers and be subject to all the provisions herein conferred on the Directors and he or any alternate Director appointed by him shall alone constitute a quorum at any meeting of the Board. Regulations 64, 89 and 90 shall be modified (and all other Regulations in these Articles relating to Directors shall be construed) accordingly.

13.2 The Directors shall not be subject to retirement by rotation and accordingly:

- (a) Regulations 73 to 75 inclusive, Regulation 80 and the last sentence of Regulation 84 shall not apply to the Company;
- (b) Regulation 76 shall apply but with the deletion of the words "other than a director retiring by rotation";
- (c) Regulation 77 shall apply but with the deletion of the words in brackets "(other than a director retiring by rotation at the meeting)";
- (d) Regulation 78 shall apply but with the deletion of the words "and may also determine the rotation in which any additional directors are to retire"; and
- (e) Regulation 79 shall apply but with the deletion of the second and third sentences of it.

13.3 In any case where, as the result of death or deaths, the Company has no members and no Directors the personal representatives of the last member to have died shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in General meeting. For the purpose of this article, where two or more members die in circumstances rendering it uncertain which of them survived the other or others, the members shall be deemed to have died in order of seniority, and accordingly the younger shall be deemed to have survived the elder.

13.4 For the avoidance of doubt, to the extent permitted by law, the Directors may give any form of financial assistance (as defined in Section 152, Companies Act 1985), directly or indirectly, for the purpose of, or in connection with, any acquisition or proposed acquisition of shares in the Company and/or any holding company of the Company and/or any reduction or discharge of a liability incurred by any person for the purpose of such an acquisition.

#### 14. **Directors**

14.1 The Directors shall be entitled to such remuneration (if any) by way of fee as shall from time to time be determined by the Company in General Meeting. Unless and until so determined, remuneration shall be at such rate, not exceeding £10,000 per annum for each Director, as the Board shall from time to time determine. Such remuneration shall be deemed to accrue from day to day. An alternate Director may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as his appointor may by notice in writing to the Company from time to time direct. The Directors (including

alternate Directors) shall also be entitled to be paid their reasonable travelling, hotel and other expenses of attending and returning from meetings of the Company or otherwise incurred while engaged on the business of the Company or in the discharge of their duties. The end of the first sentence of Regulation 66 shall be modified accordingly and Regulations 82 and 83 shall not apply to the Company.

14.2 Any Director who, by request, performs special services or goes or resides abroad for any purpose of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director shall receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.

14.3 Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is in any way interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) shall be entitled to vote and be counted in the quorum on any matter concerning paragraphs (a) to (d).

14.4 For the purposes of Article 14.3:

- (a) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in

any such transaction of the nature and extent so specified;

- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force when this Article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Regulations 85, 86 and 94 to 97 inclusive shall not apply to the Company.

#### 15. **Proceedings of Directors**

An alternate director who is himself a Director and/or who acts as an alternate director for more than one Director shall be entitled, in the absence of his appointor(s), to a separate vote or votes on behalf of his appointor(s) in addition (if he is himself a director) to his own vote. Regulation 88 shall be modified accordingly.

#### 16. **Board Meetings**

- 16.1 A person in communication by electronic means with the chairman and with all other parties to a meeting of the directors or of a committee of the directors shall be regarded for all purposes as personally attending such a meeting provided that, at such a meeting, he has the ability to communicate interactively and simultaneously with all other parties attending the meeting including all persons attending by electronic means.
- 16.2 A meeting at which one or more of the directors attends by electronic means is deemed to be held at such place as the directors shall at the said meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the directors attending the meeting are physically present, or in default of such a majority, the place at which the chairman of the meeting is physically present.
- 16.3 In this Article '**electronic**' means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy and '**by electronic means**' means by any manner capable of being so actuated, including telephonic means.

**17. Notices**

A notice served by post shall be deemed to be given at the expiration of 24 hours (or, where second class mail is employed, 48 hours) after the time when the cover containing it is posted and in the case of a notice contained in an electronic communication at the expiration of 48 hours after the time it was sent. The second sentence of Regulation 115 shall not apply to the Company.

**18. Indemnity**

Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation to them 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 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 relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. Regulation 118 shall not apply to the Company.