

NOTICE OF SPECIAL RESOLUTION

Number of Company: 00036724

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION

of

SMITH BRADBEER & COMPANY LIMITED

Passed

2-7-19

THURSDAY



By a written shareholders' resolution passed on the above date and made in accordance with Section 288 Companies Act 2006 by or on behalf of the required number of the members of the Company who, at the date and time of circulating the resolution, were entitled to vote on the resolution, the following **RESOLUTION** was passed as a Special Resolution:

detached.

That:-

"The Articles of Association be amended as follows:

Article 3.1 shall be deleted and replaced as follows:

The share capital of the Company is divided into 'A' Ordinary Shares of 10p each ('the 'A' shares'), 'B' Ordinary Shares of 10p each ('the 'B' shares'), 'C' Ordinary Non-voting Shares of 10p each ('the 'C' shares'), 'D' Ordinary Non-voting Shares of 10p each ('the 'D' shares'), 'G' Ordinary Non-voting Shares of 10p each ('the 'G' shares'), 'H' Ordinary Non-voting Shares of 10p each ('the 'H' shares'), 'J' Ordinary Non-voting Shares of 10p each ('the 'J' shares'), 'L' Ordinary Non-voting Shares of 10p each ('the 'L' shares'), 'M' Ordinary Non-voting Shares of 10p each ('the 'M' shares'), 'R' Ordinary Non-voting Shares of 10p each ('the 'R' shares') and 'S' Ordinary Non-voting Shares of 10p each ('the 'S' shares') 'L1' 'L2' and 'L3' Ordinary Non-voting Shares of 10p each (the 'L1', 'L2' and 'L3' shares respectively), 'S1', 'S2', 'S3' and 'S4' Ordinary Non-voting Shares of 10p each (the 'S1', 'S2', 'S3' and 'S4' shares respectively) 'G1', 'G2', 'G3', 'G4' and 'G5' Ordinary Non-voting Shares of 10p each (the 'G1', 'G2', 'G3', 'G4' and 'G5' shares respectively), 'H1', 'H2', 'H3' and 'H4' Ordinary Non-voting Shares of 10p each (the 'H1', 'H2', 'H3' and 'H4' shares respectively, 'J1', 'J2' and 'J3' Ordinary Non-voting Shares of 10p each (the 'J1', 'J2' and 'J3' shares respectively), 'M1', 'M2', 'M3' and 'M4' Ordinary Non-voting Shares of 10p each (the 'M1', 'M2', 'M3' and 'M4' shares respectively) and 'R1', 'R2' and 'R3' Ordinary Non-voting Shares of 10p each (the 'R1', 'R2' and 'R3' shares respectively)

(hereinafter together called "the ordinary shares") and Cumulative Redeemable Preference Shares of £1 each (the "preference shares")

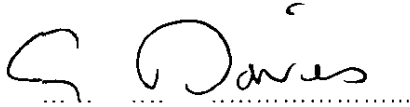
Article 3.1(a)(ii) shall be deleted and replaced as follows:

The 'C' shares the 'D' shares, the 'G' shares, the 'H' shares, the 'J' shares, the 'L' shares, the 'M' shares, the 'R' shares, the 'S' shares, the L1 shares, the L2 shares, the L3 shares, the S1 shares, the S2 shares, the S3 shares, the S4 shares, the G1 shares, the G2 shares, the G3 shares, the G4 shares and the G5 shares, the H1 shares, the H2 shares, the H3 shares, the H4 shares, the J1 shares, the J2 shares, the J3 shares, the M1 shares, the M2 shares, the M3 shares, the M4 shares, the R1 shares, the R2 shares and the R3 shares (together "the Ordinary Non-voting Shares") shall not entitle the holders to receive notice of or to attend or vote at any General Meeting of the Company unless the business of the meeting includes the consideration of a resolution for:

- (a) winding up the Company or
- (b) a reduction in the capital or
- (c) varying or abrogating any of the special rights or privileges attached to the Ordinary Non-voting Shares, or
- (d) the amendment, alteration or replacement of any of Articles 5 5, 9 6, 9 8, 13 and 19 of these Articles

in which case they shall be entitled to vote on any such resolution, but on no other resolution proposed at the meeting."

Signature:



Position:



) To be signed by a Director,
) or the Secretary
) of the Company

THE COMPANIES ACT 1985 to 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SMITH BRADBEER & COMPANY LIMITED

(Adopted by Special Resolution passed on 7th June 2013 as amended by special resolutions on 15 April 2016 and 18 June 2019)

1 PRELIMINARY AND INTERPRETATION

1.1 The regulations contained in Table A ('Table A') in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended at the date of adoption of these Articles shall apply to the company save insofar as they are excluded or varied by these Articles.

1.2 In these regulations and in the regulations of Table A that apply to the company:

'the Act'	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;
'address'	in relation to electronic communication, includes any number or address used for the purpose of such communication;
'the Articles'	means the Articles for the time being of the company;
'A' shares'	means 'A' Voting Ordinary Shares of 10p each in the capital of the Company;
'A' shareholder'	means the holder of 'A' shares;
'the Board'	means the Board of Directors of the company from time to time,
'B' shares'	means 'B' Voting Ordinary Shares of 10p each in the capital of the Company;
'B' shareholder'	means the holder of 'B' shares,
'clear days'	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
'communication'	the same as in the Electronic Communications Act 2000,
'connected person'	as defined by Section 839 of the Income and Corporation Taxes Act 1988;
'controlling interest'	an interest (within the meaning of Schedule 13, Part 1 to and Section 324 of the Act) in shares conferring in the aggregate more than 50 per cent of the total voting rights conferred by all the shares in the equity share capital of the company for the time being in issue and conferring the right to vote at all general meetings;
'document'	includes, unless otherwise specified, any document sent or supplied in electronic form,
'electronic communication'	means the same as in the Electronic Communications Act 2000;
'equity share capital'	means any ordinary shares of 10p each for the time being in issue;

'executed'	includes any mode of execution
'family trust'	means a trust (whether arising under a settlement or testamentary disposition or on an intestacy) under which no beneficial interest in the shares in question is for the time being vested in any person other than a shareholder or his privileged relation;
'the holder'	in relation to shares means the member whose name is entered in the register of members as the holder of the shares;
'lineal descendants'	means persons in the direct blood line of descent of either of the current directors A E Davies or P L Davies and shall include adopted children of such a person who upon adoption by a lineal descendant shall be deemed to have become lineal descendants themselves;
'office'	means the registered office for the time being of the company;
'privileged relation'	means lineal descendants, the spouse of a lineal descendant and the surviving spouses of the said A E and P L Davies respectively;
'the seal'	means the common seal of the company (if any);
'secretary'	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
'shareholder'	a holder for the time being of any shares;
'shares'	any shares for the time being in the capital of the company;
'the United Kingdom'	means Great Britain and Northern Ireland, and
'writing'	means the representation or reproduction of words, symbols or other information in a visible form or by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.3 Unless the context otherwise requires, words or expressions contained in these regulations and in the regulations of Table A that apply to the company bear the same meaning as in the Act but excluding any statutory modification of if not in force when these regulations become binding on the company, words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing natural persons shall include also corporations.

- 1.4 The headings in these regulations are for convenience only and shall be ignored in construing the language or meaning of the Articles Regulation 1 of Table A shall not apply.

2 **LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

3 **SHARE CAPITAL**

- 3.1 The share capital of the Company is divided into 'A' Ordinary Shares of 10p each ("the 'A' shares"), 'B' Ordinary Shares of 10p each ("the 'B' shares"), 'C' Ordinary Non-voting Shares of 10p each ("the 'C' shares"), 'D' Ordinary Non-voting Shares of 10p each ("the 'D' shares"), 'G' Ordinary Non-voting Shares of 10p each ("the 'G' shares"), 'H' Ordinary Non-voting Shares of 10p each ("the 'H' shares"), 'J' Ordinary Non-voting Shares of 10p each ("the 'J' shares"), 'L' Ordinary Non-voting Shares of 10p each ("the 'L' shares"), 'M' Ordinary Non-voting Shares of 10p each ("the 'M' shares"), 'R' Ordinary Non-voting Shares of 10p each ("the 'R' shares") and 'S' Ordinary Non-voting Shares of 10p each ("the 'S' shares") 'L1' 'L2' and 'L3' Ordinary Non-voting Shares of 10p each (the 'L1', 'L2' and 'L3' shares respectively), 'S1', 'S2', 'S3' and 'S4' Ordinary Non-voting Shares of 10p each (the 'S1', 'S2', 'S3' and 'S4' shares respectively) 'G1', 'G2', 'G3', 'G4' and 'G5' Ordinary Non-voting Shares of 10p each (the 'G1', 'G2', 'G3', 'G4' and

'G5' shares respectively), 'H1', 'H2', 'H3' and 'H4' Ordinary Non-voting Shares of 10p each (the 'H1', 'H2', 'H3' and 'H4' shares respectively), 'J1', 'J2' and 'J3' Ordinary Non-voting Shares of 10p each (the 'J1', 'J2' and 'J3' shares respectively), 'M1', 'M2', 'M3' and 'M4' Ordinary Non-voting Shares of 10p each (the 'M1', 'M2', 'M3' and 'M4' shares respectively) and 'R1', 'R2' and 'R3' Ordinary Non-voting Shares of 10p each (the 'R1', 'R2' 'R3 and R4 shares respectively) (hereinafter together called "the ordinary shares") and Cumulative Redeemable Preference Shares of £1 each (the "preference shares").

3.1(a) All of the ordinary shares shall rank *pari passu* in all respects, save as to the provisions relating to income and voting rights as set out below

(i) As Regards Income

Each class of the ordinary shares shall rank separately with regard to entitlement to dividend such that the directors may at any time resolve to declare or recommend a dividend on one or more class of share and not on the other class or classes or differing amounts of dividend on the different classes of shares

(ii) As Regards Voting

The 'C' shares the 'D' shares, the 'G' shares, the 'H' shares, the 'J' shares, the 'L' shares, the 'M' shares, the 'R' shares, the 'S' shares, the L1 shares, the L2 shares, the L3 shares, the S1 shares, the S2 shares, the S3 shares, the S4 shares, the G1 shares, the G2 shares, the G3 shares, the G4 shares and the G5 shares, the H1 shares, the H2 shares, the H3 shares, the H4 shares, the J1 shares, the J2 shares, the J3 shares, the M1 shares, the M2 shares, the M3 shares, the M4 shares, the R1 shares, the R2 shares, the R3 shares and the R4 shares (together "the Ordinary Non-voting Shares") shall not entitle the holders to receive notice of or to attend or vote at any General Meeting of the Company unless the business of the meeting includes the consideration of a resolution for

- (a) winding up the Company or
- (b) a reduction in the capital or
- (c) varying or abrogating any of the special rights or privileges attached to the Ordinary Non-voting Shares, or
- (d) the amendment, alteration or replacement of any of Articles 9 6, 9 8, 13 and 19 of these Articles

in which case they shall be entitled to vote on any such resolution, but on no other resolution proposed at the meeting.

3.1(b) The Cumulative Redeemable Preference Shares of £1 each shall bear the following rights and privileges

(i) As Regards Income

The Preference Shares shall entitle the holders thereof, *pari passu* with any further preference shares created to rank *pari passu* therewith as regards priority in respect of income, and in priority to any dividend or return of capital on any other class of shares, to a fixed cumulative preferential dividend on the capital for the time being paid up thereon at the rate of 4 8 per cent per annum, such dividend to be payable by equal half-yearly instalments on 31 July and 31 January in each year in respect of the half-yearly periods ending on those respective dates the first payment to be on such date as may be specified in the directors' resolution allotting such shares

(ii) As Regards Capital

The Preference Shares shall entitle the holders thereof on a winding up or on a reduction of capital involving a return of capital, *pari passu* with any further preference shares created to rank *pari passu* therewith as regards priority in respect of capital,

and in priority to any return of capital on any other class of shares, to repayment of the capital paid up or credited as paid up thereon together with a sum equal to any arrears or accruals of the fixed cumulative preferential dividend thereon calculated down to the date of repayment whether or not such dividend shall have been declared or earned

(iii) As Regards Voting

The Preference Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution for

- (a) winding up the Company or
- (b) for a reduction in the capital or
- (c) varying or abrogating any of the special rights or privileges attached to the Cumulative Redeemable Preference Shares,

in which case they shall be entitled to vote on any such resolution, but on no other resolution proposed at the meeting

(iv) As Regards Redemption

Subject to the provisions of the Companies Act 2006 the Preference Shares shall be redeemed by the Company at par in whole or in part

- (a) at the option of the company at any time, or
- (b) at the shareholders option at any time after 31 January 2012

(v) Other Rights

The Preference Shares shall not confer on the holders thereof any further rights to participate in the profits or assets of the company or to vote

3.2 Regulation 3 of Table A shall not apply to the company Subject to the provisions of the Act and without prejudice to sub-article 3.3

3.2.1 any shares may be issued which are to be redeemed or are liable to be redeemed at the option of the company or the holder of such shares on such terms and in such manner as may be provided by the Articles or as the company may by resolution determine,

3.2.2 the company may purchase any of its shares (including any redeemable shares), and

3.2.3 the company may make a payment in respect of the redemption or purchase of any of its shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares

3.3 The unissued shares in the capital of the company as at the date of the adoption of these Articles shall be under the control of the directors who, when any further shares are proposed to be issued, they shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company shall by special resolution otherwise direct the offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined after the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them, such further offer shall be made in like terms in the same manner and limited by a like period as the original offer any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by such special resolution as aforesaid shall be under the control of the directors, who may (subject to sub-article 3.5 below) allot, grant options over or otherwise

dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members

- 3.4 In accordance with Section 91 of the Companies Act 1985 Sections 89(1) and 90 of the said Act shall not apply to the Company
- 3.5 The directors are generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by ordinary resolution.

4 LIEN

The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) 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 (whether fully paid or not) standing registered in the name of any person for all moneys presently payable by him or his estate to the company, whether he shall be the sole registered holder of it or shall be one of several joint holders, but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable on it. Regulation 8 of Table A shall not apply.

5 TRANSFER OF SHARES

5.1 Permitted transfers

5.1.1 Any shareholder (and his/her personal representatives upon death) being an individual who is not holding those shares in the capacity of trustee of a family trust solely, legally and beneficially entitled to his/her shares or any interest in them may at any time transfer shares:

- 5.1.1.1 to a privileged relation (except as part of a divorce or separation settlement);
- 5.1.1.2 subject to Article 5.1.2, to trustees to be held upon a family trust;
- 5.1.1.3 to any other person with the consent in writing or at a general meeting of the holders of ninety-five per cent of the equity share capital whether voting or not and (taken as one class) for the time being of the company; or
- 5.1.1.4 to any other existing shareholder.

5.1.2 Where shares are held by trustees of a family trust.

- 5.1.2.1 they may, on any change of trustees, be transferred to the new trustees of the family trusts concerned;
- 5.1.2.2 they may at any time be transferred to any person to whom the settlor could have transferred the shares under Article 26.2.1 had he been their holder;
- 5.1.2.3 if and whenever any of the shares cease to be held upon a family trust (otherwise than in connection with a transfer by the trustees authorised under this Article 5.1.2) the trustees of the family trust shall, within 7 days of the cessation give (and in default shall be deemed to have given) a

sale notice (as defined in Article 5.2.1 below) in respect of the shares in question

5.1.3 Any shareholder which is a body corporate may transfer any shares:

5.1.3.1 to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company provided that if such body corporate ceases to be controlled directly or indirectly by such ultimate parent company the shareholder concerned shall procure that immediately prior to it so ceasing such shares shall be transferred to another body corporate so controlled or back to the original shareholder;

5.1.3.2 to any other person with the consent in writing or at a general meeting of the holders of ninety-five per cent (by reference to votes on a poll) of the equity share capital (taken as one class) for the time being of the company; or

5.1.3.3 to any other existing shareholder.

5.2 Transfer by Shareholders

5.2.1 Save for any transfer(s) permitted pursuant to section 5 above, any shareholder ('the retiring shareholder') wishing to transfer part or all of the shares held by him shall first give a notice in writing ('a sale notice') to the company specifying the number and denoting numbers (if any) of the shares which he wishes to sell ('the sale shares'). The sale notice shall constitute the company the agent of the retiring shareholder for the sale of the sale shares at market value (as determined in accordance with the provisions of Article 5.2.3) ('market value') of the relevant class of shares. If the capital of the company is divided into separate classes of shares a separate sale notice shall be given for each class of shares.

5.2.2 A sale notice may provide that unless all the sale shares are sold in accordance with this Article none shall be sold ('a total sale condition'). Other than expressly provided in these Articles, a sale notice shall not be revocable except with the sanction of the Directors. If a retiring shareholder revokes a sale notice during the valuation period (as defined in Article 5.2.3) he may not subsequently transfer the sale shares (or any interest in them) other than in accordance with these Articles.

5.2.3 The market value of the sale shares:

5.2.3.1 shall be determined by agreement between the retiring shareholder and the Board; or

5.2.3.2 in default of agreement within 14 days of the date of receipt of the sale notice by the company shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the sale notice) and shall be determined and certified by an independent chartered accountant of not less than five years standing to be agreed between the retiring shareholder and the Board and in default of agreement to be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales. In so certifying the chartered accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties.

His fees shall be borne equally between the transferor and the Company. If the market value as certified by the independent chartered accountant is unacceptable to the retiring shareholder he may, within 7 days of the market value being so certified ('the valuation period'), revoke his sale notice by giving notice in writing to this effect to the company. The cost of obtaining a certificate of market value shall be borne equally by the retiring shareholder and the purchasing shareholder(s) provided that if

any retiring shareholder shall within twelve months of revoking a sale notice serve a further sale notice in respect of any of the shares comprised in an earlier sale notice the cost of obtaining a certificate relating to such further sale notice shall be borne wholly by such retiring shareholder.

- 5.2.4 On determination of the market value the company shall forthwith offer the sale shares at market value to all shareholders holding shares of the same class ('the first offer') inviting each of them to state in writing within 14 days whether he is willing to purchase and, if so, the number of sale shares up to the number comprised in the sale notice. The directors shall allocate the sale shares to the shareholders who have expressed their willingness to purchase in proportion as nearly as may be to the nominal amount of their existing holdings of that class of shares in the company. Any sale shares which are then unallocated shall be allocated to any shareholders who have expressed a willingness to purchase more than their due proportion, again in proportion as nearly as may be to the nominal amount of their existing holdings of that class of shares in the company, but no shareholder shall be obliged to purchase more sale shares than he has indicated he is willing to purchase.
- 5.2.5 If any sale shares remain unallocated after the first offer the company shall forthwith offer these sale shares at market value to all shareholders other than those to whom the first offer was made ('the second offer') inviting each of them to state in writing within 14 days whether he is willing to purchase and, if so, the number of sale shares up to the number comprised in the sale notice. The directors shall allocate the sale shares to the shareholders who have expressed their willingness to purchase in proportion as nearly as may be to the nominal amount of their existing holdings of shares in the company. Any sale shares which are then unallocated shall be allocated to any shareholders who have expressed a willingness to purchase more than their due proportion, again in proportion as nearly as may be to the nominal amount of their existing holdings of shares in the company, but no shareholder shall be obliged to purchase more sale shares than he has indicated he is willing to purchase.
- 5.2.6 If the company shall not have found purchasing shareholders in respect of all the sale shares then any remaining sale shares shall, for a period of 14 days after the expiry of the time limit specified in Article 5.2.4 or 5.2.5, be at the disposal of the directors who may offer any remaining sale shares at market value to any person as they in their discretion might choose or make such arrangements as they consider appropriate so as to enable the Company to make a purchase of the sale shares (and the Company shall be a 'purchasing shareholder' for the ongoing application of this section 5 of the Articles).
- 5.2.7 Intentionally Blank
- 5.2.8 If the company shall find purchasing shareholders in respect of all or (except where the sale notice contains a total sale condition) any of the sale shares in accordance with this Article 5.2 it shall forthwith give notice to the retiring shareholder who shall be bound, upon payment of the appropriate consideration, to transfer the sale shares to the respective purchasers. Every such notice shall state the name and address of each purchaser, the number of sale shares to be purchased by him and the transfer shall be completed at a time and place to be appointed by the directors, not being less than 7 nor more than 14 days from the date of the notice.
- 5.2.9 If the retiring shareholder fails to transfer any of the sale shares to their purchaser(s) the directors may authorise any person to execute a transfer of the sale shares to the purchasing shareholder and the company may give a good receipt for the purchase price of the sale shares and may register the purchasing shareholder as holders of them and issue to them certificates for them. After the name of the purchaser has been entered into the register the validity of the proceedings shall not be questioned

by any person. The retiring shareholder shall in such case be bound to deliver up his certificate for the sale shares to the company whereupon he shall be entitled to receive the purchase price which shall in the meantime be held by the company on trust for him but without interest. If such certificate shall comprise any share which the retiring shareholder has not become bound to transfer as aforesaid the company shall issue to the retiring shareholder a certificate for the balance of such shares

- 5.2.10 If trustees of a family trust are obliged, by Article 5.2.2.3, to give a sale notice to the company but fail to do so, they shall be deemed on the date on which the directors shall receive actual notice of such shares being held otherwise than on family trusts, to have given a sale notice in respect of them and the market value shall be ascertained by an independent chartered accountant pursuant to Article 5.2.3.2.

5.3 Deemed Transfer Notice on death or bankruptcy

- 5.3.1 Subject to permitted transfers under Article 5.1, any person becoming entitled to shares in consequence of the death or bankruptcy of any shareholder shall give a sale notice (as defined in Article 5.2.1) before he elects in respect of any share to be registered himself or to execute a transfer.

- 5.3.2 If a person becoming entitled to shares pursuant to Article 5.3.1 does not give a sale notice within one year of the death or bankruptcy he shall be deemed to have given a sale notice on the anniversary of the death or bankruptcy.

5.4 Transfers — Change of control

- 5.4.1 Subject to Article 5.4.2, no sale or transfer of any shares shall be made which would result if made and registered in a person or persons (whether or not then a member of the company) obtaining a controlling interest in the company ('the specified shares') without the previous consent of a majority of all of the holders of the issued shares of the same class unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for 28 days) to purchase all the other shares at the specified price (as defined below). Every shareholder to whom the offer is made shall be bound within 28 days of the making of such offer to him either to accept or reject it in writing (and if he defaults in so doing shall be deemed to have rejected the offer).

- 5.4.2 The provisions of this Article shall not apply to the acquisition of shares by a person who is at the time an existing shareholder and the acquisition is made under the terms of a sale notice given pursuant to Article 5.2.

- 5.4.3 For the purpose of Article 5.4.1:

5.4.3.1 the expressions 'transfer', 'transferor' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renounee under any such letter of allotment; and

5.4.3.2 the 'specified price' shall mean a price per share (not less than the market value) at least *pari passu* to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the specified shares to their holders plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the specified shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the specified shares. In the event of disagreement the calculation of the specified price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for

the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding.

6 VARIATION OF RIGHTS

If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these regulations relating to General Meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

7 NOTICE OF GENERAL MEETINGS

A General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the shares giving that right

The notice shall specify the time and place of the Meeting and the general nature of the business to be transacted.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and Auditors.

Regulation 38 of Table A shall not apply.

8 NUMBER OF DIRECTORS

The minimum number of directors shall be one and there shall be no maximum number Regulation 64 of Table A shall not apply.

9 APPOINTMENT OF DIRECTORS

- 9.1 The 'A' Shareholders shall subject to Article 9.6, have the right to appoint and maintain in office four Directors (the 'A' Directors')
- 9.2 The 'B' Shareholders shall, subject to Article 9.6, have the right to appoint and maintain in office four Directors (the 'B' Directors')
- 9.3 The 'A' Shareholders shall have the right to remove any 'A' Director nominated by them and, subject to Article 9.6, appoint another 'A' Director in his place for so long as they are the holders of 'A' Shares and the 'B' Shareholders shall have the right to remove any 'B' Director nominated by them and, subject to Article 9.6, appoint another 'B' Director in his place for so long as they are the holders of 'B' Shares, in each case by giving 14 days notice in writing signed by or on behalf of a majority of the holders of such Shares to the Secretary of the Company at its registered office and to the Shareholders of the other class of shares.
- 9.4 If the 'A' Shareholders shall remove a Director from his office the 'A' Shareholders shall be responsible for and shall indemnify the 'B' Shareholders and the Company against any loss, liability or cost that any of them may suffer or incur as a result of any claim by such Director for unfair or wrongful dismissal arising out of such removal. The same provision shall apply, mutatis mutandis, if the 'B' Shareholders shall remove a 'B' Director.
- 9.5 The members of the Board shall not be entitled to any remuneration solely in their capacity as Directors of the Company.
- 9.6 Any person proposed to be appointed as a director by either the 'A' Shareholders or the 'B' Shareholders shall only (in the absence of written agreement otherwise as between them) be so appointed if

- 9.6.1 proper notice of the proposed appointment has been given to the company and the other shareholders in accordance with Article 9.3;
- 9.6.2 a business case for the proposed appointment has been provided by the appointing Shareholders,
- 9.6.3 they are at least 25 years old;
- 9.6.4 they have worked for at least 5 years in industry or commerce,
- 9.6.5 they are not barred from such appointment by operation of law;
- 9.6.6 they have not, within the previous two years, been removed for a serious breach of duty or breach of contract from any appointment or employment with the Company;
- 9.6.7 they successfully complete, if required by any of the shareholders or existing directors, a work based project designed to assess their ability, practical competence and suitability for appointment;
- 9.6.8 they have demonstrated a passion about the business of the Company and a commitment to maintain, protect it and grow the business for the benefit of the shareholders;
- 9.6.9 Regulations 65 to 80 (inclusive) of Table A shall not apply; and
- 9.6.10 Directorships should not be offered to any person who is not suitable and fit for office and in the absence of family candidates then non-family experienced directors should be appointed.

10 POWERS OF DIRECTORS

- 10.1 The Directors may sanction the exercise by the company of all the powers of the company to make provision for the benefit of persons (including directors) employed or formerly employed by the company or any subsidiary of the company in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or any such subsidiary as are conferred by section 719 of the Act and the IA Act 1986, s 187 and, subject to such sanction, the directors may exercise all such powers of the company.
- 10.2 When one director only is in office he shall have and may exercise all the powers and authorities in and over the affairs of the company as are conferred on the directors by the Articles.

11 DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of Director shall be vacated if.

- 11.1 He ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director, or
- 11.2 He becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- 11.3 He is a person who is, or may be, suffering from mental disorder and either:
 - 11.3.1 he is admitted to hospital in pursuance of any application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - 11.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) 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,
- 11.4 He resigns his office by notice to the company, or

- 11.5 He is removed from office under section 303 of the Act, or by Extraordinary Resolution of the company, or
- 11.6 He is served with written notice under the hand of a director or the secretary of any company which is for the time being the company's holding company that the Board of Directors of such company *has resolved that his appointment be terminated*,
- 11.7 He is removed from office under the terms of Article 9.3 hereof, and Regulation 81 of Table A shall not apply.

12 DIRECTORS' INTERESTS

Provided that a director declares his interest in a contract or arrangement or proposed contract or arrangement with the company in manner provided by the Act he shall be counted in the quorum of any meeting of directors at which it is considered and shall be entitled to vote as a director in respect of it. Regulation 94 of Table A shall not apply.

13 DIRECTORS' REMUNERATION AND PENSIONS

- 13.1 The Directors shall have the power to determine the remuneration paid by the company to each of the directors and any member of their families subject (other than for remuneration paid to Mr and Mrs A E Davies and to Mr and Mrs P L Davies) to a limit on such remuneration (including any dividends paid, other than general dividends paid to the majority of shareholders) such that the remuneration shall not exceed an amount that would be payable to a director employed by a similar company in the same trade and undertaking a similar role within that company, such comparable remuneration being determined by whatever means the directors decide to be just and reasonable.
- 13.2 The Directors shall have power to pay or provide and agree to pay or provide pensions or other retirement, superannuation, death or disability benefits to, or to any person in respect of *any director or former director of the company or any subsidiary or holding company of the company* or another subsidiary of any such holding company and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums (whether before or after such director ceases to hold office or employment). The same rules apply to pension contributions as remuneration as above on 13.1.
- 13.3 A Director may vote at a meeting of directors in respect of any matter referred to in this article, notwithstanding that he is personally interested in such matter and shall be counted in the quorum present at the meeting. Regulation 87 of Table A shall not apply.

14 PROCEEDINGS OF DIRECTORS

- 14.1 Unless otherwise agreed by an 'A' Director and a 'B' Director meetings of the Board shall be held at least once every three months and otherwise as circumstances require. No Board Meeting shall normally be convened on less than ten Business Days' notice and may be convened to take place at such location as the Board may from time to time decide, but a meeting of the Board may be convened by giving not less than 48 hours' notice if the interests of the Company would be likely to be adversely affected to a material extent if the business to be transacted at such Board meeting were not dealt with as a matter of urgency or if all the Directors agree.
- Documents relating to issues to be considered by members of the Board at any such meeting shall be distributed in advance of the meeting to all members of the Board and their alternates so as to ensure that they are received at least seven Business Days prior to the date fixed for such meeting.
- 14.2 The quorum for the transaction of business at any Board meeting shall be one 'A' Director and one 'B' Director. Regulation 89 of Table A shall not apply.
- 14.3 The Shareholders shall use all reasonable endeavours to ensure that their respective appointees as Directors (or their alternates) shall attend each meeting of the Board and to procure that a quorum is present throughout each such meeting.

- 14.4 If within half an hour from the time appointed for a Board meeting a quorum is not present, the meeting shall be adjourned to take place 3 Business Days later at the same time and place. Each Director not present at the meeting shall be notified by any of the Shareholders or the Company by facsimile notice or by any other form of notice in writing of the date time and place of the adjourned meeting (provided that if at the adjourned meeting any four Directors are present (whether they are 'A' Directors or 'B' Directors) those Directors present shall constitute a quorum).
- 14.5 No resolution of the Directors shall be effective unless carried by a majority of the votes of the Directors. At any time when there shall not be in office an equal number of 'A' Directors and 'B' Directors then those 'A' Directors and 'B' Directors, as the case may be, who are in the minority, shall have such number of additional votes (whether on a show of hands or on a written resolution of the Directors) as shall ensure that the 'A' Directors and 'B' Directors shall have an equal number of votes.
- 14.6 The Directors appointed by the 'A' Shareholders and the 'B' Shareholders shall be entitled, in annual rotation, to appoint a Chairman for meetings of the Board. The Chairman of the Board shall not have a second or casting vote.
- 14.7 Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or any other form of communications equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or by a series of telephone calls from the Chairman at the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.
- 14.8 A resolution in writing signed by all the directors (including a sole director) entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Regulation 93 of Table A shall not apply.
- 14.9 Any director for the time being absent from the United Kingdom may supply to the company an address and/or telex or facsimile transmission number whether or not within the United Kingdom to which notices of meetings of the directors may be sent and shall then be entitled to receive at such address or number notice of such meetings. Regulation 88 of Table A shall be modified accordingly.
- 14.10 A meeting of the directors may be validly held notwithstanding that all of the directors are not present at the same place and at the same time provided that:
- 14.10.1 a quorum of the directors at the time of the meeting are in direct communication with each other whether by way of telephone, audio-visual link or other form of telecommunication, and
- 14.10.2 a quorum of the directors entitled to attend a meeting of the directors agree to the holding of the meeting in this manner.

15 **DIVIDENDS**

- 15.1 The Directors may retain the dividends payable upon shares in respect of which any person is entitled to become a member under the provisions as to the transmission of shares contained in these Articles, or which any person under those provisions is entitled to transfer, until that

person shall become a member in respect of these shares or shall duly transfer them, in this case subject to Article 5. Regulation 31 of Table A shall be modified accordingly.

- 15.2 The payment by the directors or any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect of it. Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall be forfeited and cease to remain owing by the company. Regulation 108 of Table A shall not apply.

16 **BORROWING POWERS**

The Directors may exercise all the powers of the company to borrow or raise money, and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and, subject to the provisions 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 (including any member).

17 **NOTICES**

- 17.1 Any notice to be given to or by any person pursuant to the Articles (other than a notice calling a meeting of the directors but including any documents as are referred to in Article 14.1) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. Regulation 111 of Table A shall not apply.
- 17.2 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 24 hours after the envelope containing it was posted. Regulation 115 of Table A shall not apply

18 **INDEMNITY**

Without prejudice to the provisions of Regulation 118 of Table A the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, or employees or auditors of the company, or of any other company which is its holding company or parent undertaking or in which the company or such holding company or parent undertaking or any of the predecessors of the company or of such holding company or parent undertaking has any interest whether direct or indirect or which is in any way allied to or associated with the company, or any subsidiary undertaking of the company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the company or any such other company, subsidiary undertaking or pension fund. For the purpose of this regulation 'holding company', 'parent undertaking' and 'subsidiary undertaking' shall have the same meaning as in the Act

19 **SMITH BRADBEER CHARITABLE TRUST**

The Directors shall, unless otherwise determined by Special Resolution, make a donation (under the Gift Aid rules, where applicable) in each financial year of a sum equal to the greater of ½% of the annual turnover of the company (before VAT) or 10% of the distributable profits of the company (calculated before such donation is made), or such greater sum as the directors may determine, to the Smith Bradbeer Charitable Trust (Charity Number 1060418).