

The Companies Act 2006
Private Company Limited by Shares

Written Resolution

of

Axminster Carpets Limited

SATURDAY



A06 31/12/2011 #186
COMPANIES HOUSE

22 December 2011 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 is passed as an ordinary resolution and resolution 2 be passed as a special resolution (the "**Resolutions**")

Ordinary Resolution

- 1 THAT it was in the best interests of the Company for the Company to enter into the following documents
 - 1 1 a facilities agreement (the "**Facilities Agreement**") to be entered into between, among others, (1) PNC Business Credit a trading style of PNC Financial Services UK Ltd as PNC (2) Axminster Carpets Limited and Devonian Products Limited as Obligors and (3) Axminster Carpets Holdings Limited as the Parent pursuant to which PNC agreed to make certain facilities available to the Obligors
 - 1 2 a composite guarantee and debenture to be entered into between the (1) PNC and (2) Axminster Carpets Limited, Buckfast Spinning Company Limited, Devonian Products Limited, Previculta Limited and Axminster Carpets Holdings Limited as Security Obligors
 - 1 3 a deed of release to be entered into between (1) Lloyds TSB Bank plc (2) Axminster Carpets Limited and others and (3) Axminster Carpets Holdings Limited
 - 1 4 an intercreditor deed to be entered into between (1) PNC and (2) Lloyds Bank TSB Bank Plc (3) the Obligors and (4) the Security Obligors
 - 1 5 a formalities certificate to be entered into by the Company
 - 1 6 completed transfers dated 21 December 2011 for the transfer of the following properties from Buckfast Spinning Company Limited to Axminster Carpets Limited
 - 1 6 1 Land on the East side of Buckfast Road, Buckfastleigh (registered number DN232895),

- 1 6 2 Land and buildings lying to the East of Buckfast Road, Buckfast (registered number DN205592),
- 1 6 3 Land lying to the East of Buckfast Road, Buckfast (registered number DN189971),
- 1 6 4 Land on the East side of Buckfast Road, Buckfast, Buckfastleigh (registered number DN584930),
- 1 6 5 Land lying to the East of Buckfast Road, Buckfastleigh (registered number DN281216),
- 1 6 6 Land and Buildings on the West and East sides of Bridge Street, Higher Town, Buckfastleigh (registered number DN253742), and
- 1 6 7 Premises at Chapel Street, Buckfastleigh (registered number DN298746)

together (the "Transaction Documents")

It was in the best interests of the Company for the Company to enter into the Transaction Documents to which the Company was proposed to be a party and to participate in the transactions contemplated by the Transaction Documents (including in its capacity as Obligor in respect of the Finance Documents (as defined in the Facilities Agreement) to which the Company is a party) and that the entering into of such Transaction Documents, the terms of the Transaction Documents and the participation by the Company in the transactions contemplated by the Transaction Documents be and is approved

Special Resolution

- 2 THAT article 6 of the articles of association for the Company is deleted and replaced with the following

Notwithstanding anything contained in these Articles

- (a) the directors (or director if there is only one) of the Company may not decline to register any transfer of shares in the Company nor suspend registration of any such shares,

where in any such case the transfer is or is to be

- (a) executed by a bank or institution to which such shares have been mortgaged or charged by way of security (or by any nominee of such bank or institution) pursuant to a power of sale under such security,
- (b) executed by a receiver or manager appointed by or on behalf of any such bank or institution under any such security, or
- (c) to any such bank or institution (or to its nominee) pursuant to any such security

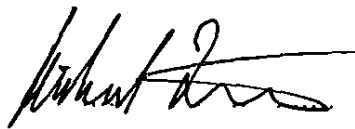
A certificate by any officer of such bank or institution that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts

The draft regulations produced to the meeting and, for the purposes of identification, initialled by a director be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

Agreement

Please read the notes at the end of this document before signifying your agreement to the Resolutions

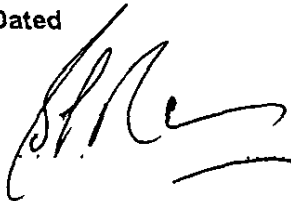
The undersigned, the shareholders entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions



Signed for and on behalf of Axminster Carpets Signed by the Executors of W H. Dutfield Holdings Limited

22/12/2011

Dated



Signed by Simon John Dutfield

Dated

22/12/2011

Dated

NOTES

1 If you agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- **By Hand** delivering the signed copy to the registered office
- **Post** returning the signed copy by post to the registered office

If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 3 Unless, by 28 days after the Circulation Date, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

THE COMPANIES ACT, 1948
A PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

A06

31/12/2011
COMPANIES HOUSE

#185

OF

AXMINSTER CARPETS LIMITED

(adopted by Special Resolution passed on the 22nd day of December 2011)

PRELIMINARY

- 1 Subject as hereinafter provided the Regulations contained in Part I of Table A in the first Schedule to the Companies Act, 1948 (hereinafter referred to as "Table A") shall apply to the Company
- 2 Regulations 2, 22, 23, 24, 25 (a), 28, 75, 77, 84 (2), 84 (4), 88, 99, 106 and 128 of Part I of Table A shall not apply to the Company, but the Articles hereinafter contained and the remaining Regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company

SHARE CAPITAL AND VARIATION OF RIGHTS

- 3 Subject to the provisions of these Articles, the unissued shares in the capital of the Company may be allotted or otherwise disposed of to such persons for such consideration and upon such terms and conditions as the directors may determine. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine, or failing such determination as the directors may resolve.
- 4 The share capital of the Company at the date of the adoption of these Articles is £1,246,269 00 divided into 50,625 Ordinary A Shares of £1 00 each, 1,136,644 Ordinary B Shares of £1 00 each, 5,000 5 25% Preference Shares of £1 00 each and 54,000 5 25% Red Preference Shares of £1 00 each. The Ordinary B Shares rank *par passu* with the Ordinary A Shares both as to capital and dividend but carry no voting power. The 5 25 Red Preference Shares and the 5 25% Preference Shares are preferential both as to capital and as to dividend but carry no voting power. The 5 25% Red Preference Shares rank immediately after the 5 25% Preference Shares and are redeemable at par at the option of the Company by six months notice given at any time.

TRANSFER, OF SHARES

- 5 All transfers of shares shall be effected by instrument in writing in any form authorised by the Stock Transfer Act, 1963, or in such other form as the directors may from time to time or at any time approve. Except in the case of partly paid shares when the instrument of transfer thereof shall be signed by or on behalf of the transferor and the transferee the provisions of the Stock Transfer Act, 1963, shall apply to any instrument of transfer of a share and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
- 6 Notwithstanding anything contained in these Articles the directors (or director if there is only one) of the Company may not decline to register any transfer of shares in the Company nor suspend registration of any such shares, where in any such case the transfer is or is to be
- (a) executed by a bank or institution to which such shares have been mortgaged or charged by way of security (or by any nominee if such bank or institution) pursuant to a power of sale under such security,
 - (b) executed by a receiver or manager appointed by or on behalf of any such bank or institution under any such security, or
 - (c) to any such bank or institution (or to its nominee) pursuant to any such security.

A certificate by any officer of such bank or institution that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.

DIRECTORS

- 7 Unless and until otherwise determined by the Company in general meeting the number of directors shall be not less than two nor more than seven. Directors in office at the date of adoption of these Articles shall continue in office subject to these Articles.
- 8 No shareholding qualification is required of directors.

REGISTER OF DEBENTURE HOLDERS

- 9 A Register of the holders of the debentures of the Company shall be kept at the registered office of the Company, and shall be open to the inspection of the registered holders of such debentures and of any member of the Company subject to such restrictions as the Company in general meeting may from time to time impose. The directors may close such Register for such period or periods as they may think fit, not exceeding in the aggregate thirty days in each year.

POWERS AND DUTIES OF DIRECTORS

- 10 A director (or his alternate) may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted, and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.

ALTERNATE DIRECTORS

- 11 Any director may at any time appoint any person approved by his co-directors to be an alternate director to act in his place at any meeting of the directors at which he is unable to be present, and may at any time remove any alternate director so appointed by him from office. Every person acting as an alternate director shall be an officer of the Company and shall not be deemed to be an agent of the director whom he represents. An alternate director shall (subject to his giving to the Company an address in the United Kingdom at which notice may be served on him) be entitled to receive notices of all meetings of the directors proposed to be held during the absence from the United Kingdom of the director appointing him and of all other meetings of which the director appointing him shall have notified his co-directors that he is unable to attend and shall also be entitled to attend and vote as a director at any meeting at which the director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a director. An alternate director shall not be required to hold any qualification or be entitled to remuneration and he shall *ipso facto* cease to be an alternate director if his appointor ceases for any reason to be a director provided that if any director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. If any director is appointed an alternate of another director he shall, in addition to his own vote, be entitled to a further vote as the alternate of such other director. All appointments and removals of alternate directors shall be effected by notice in writing under the hand of the director making or revoking such appointment delivered to the secretary.

DISQUALIFICATION OF DIRECTORS

- 12 The office of director shall be vacated in any of the following events namely —
- (a) If (not being a Managing Director holding office as such for a fixed term) he resign his office by giving one calendar month's notice in writing to the Company
 - (b) If he becomes bankrupt or insolvent or compounds with his creditors
 - (c) If he becomes incapable by reason of mental disorder of discharging his duties as a director
 - (d) If he be absent from meetings of the directors for more than six months without leave, expressed by a resolution of the directors, and his co-directors resolve that his office be vacated
 - (e) If he ceases to be a director by virtue of Section 185 of the Act
 - (f) If he becomes prohibited from being a director by reason of any order made under Section 188 of the Act

Notwithstanding the foregoing provisions of this Article any act done in good faith by a director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been delivered to the registered office of the Company, or an entry

shall have been made in the directors' minute book stating that such director has ceased to be a director of the Company

PROCEEDINGS OF DIRECTORS

- 13 The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two. For the purposes of this Article, an alternate appointed by a director shall be counted in a quorum at which the director appointing him is not present
- 14 A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors or by their alternates, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held, and may consist of several documents in like form each signed by one or more of such directors or alternates

CAPITALISATION OF PROFITS

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- (1) The Company may, upon the recommendation of the directors, resolve that it is desirable to capitalise all or any part of the profits of the Company to which this Article applies and accordingly that the directors be authorised and directed to appropriate the profits so resolved to be capitalised to the members holding Ordinary Shares in proportion to the amount paid up on the Ordinary Shares held by them respectively
- (2) Subject to any direction given by the Company in general meeting, the directors shall make all appropriations and applications of the profits resolved to be capitalised by any such resolution and such profits shall be applied by the directors on behalf of the members entitled thereto, either --

- (i) in or towards paying up the amounts, (if any) for the time being unpaid on any shares held by such members respectively, or
- (ii) in paying up in full unissued shares of the Company of a nominal amount equal to such profits, for allotment and distribution credited as fully paid up, to and amongst such members in the proportion aforesaid

or partly in one way and partly in the other

- (3) The directors shall have power after passing any such resolution -
- (i) to make such provisions (by the issue of fractional certificates or by payment in cash or otherwise) as they think fit in the case of shares becoming distributable in fractions, and
 - (ii) to authorise any person to enter, on behalf of the members holding Ordinary Shares, into an agreement with the Company providing (as the case may require) either --
 - (a) for the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to

be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares, or

(b) for the allotment to such members respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation,

and any agreement made under such authority shall be effective and binding on all such members

(4) The profits of the Company to which this Article applies shall be any undivided profits of the Company not required for paying the fixed dividends on any Preference Shares or other shares issued on special conditions and shall include —

(i) any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation), and

(ii) any profits carried and standing to any reserve or reserves, and

(iii) any sums standing to the credit of share premium or other special account

Provided that the only purpose to which sums standing to capital redemption reserve fund or share premium account shall be applied pursuant to this Article shall be the payment in full of unissued shares to be allotted and distributed as aforesaid

LIABILITY OF MEMBERS

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