

435884  
A 13534

THE COMPANIES ACT 1985

---

COMPANY LIMITED BY SHARES

---

ARTICLES OF ASSOCIATION

of

PAULS FOODS LIMITED



SCT SEMKYWGM 1698  
COMPANIES HOUSE 15/12/00

---

Adopted by Special Resolution on 23<sup>rd</sup> November 2000

---

## **THE COMPANIES ACTS 1985 AND 1989**

### **PRIVATE COMPANY LIMITED BY SHARES**

#### **ARTICLES OF ASSOCIATION OF PAULS FOODS LIMITED**

##### **1. Preliminary**

- (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save as so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- (b) In these Articles, the expression "the Act" means the Companies Act 1985 but so that, unless the contrary is clearly stated, reference to any section of any Act is to such section as same may be amended, extended or re-enacted (whether before or after the date hereof) for the time being.

##### **2. Allotment of shares**

- (a) The Directors are generally and unconditionally authorised from time to time to exercise all powers of the Company to allot relevant securities (as such expression is defined in Section 80(2) of the Act) up to a maximum aggregate of the number of authorised but unissued relevant securities in the capital of the Company (whether forming part of the original or any increased capital) but this authority shall not extend from such date as shall be five years from the date of adoption of these Articles provided always that the directors shall have power, notwithstanding that the date aforesaid shall have expired, to allot relevant securities in pursuance of an offer or agreement made before the expiry of such date as aforesaid as if the authority conferred hereby had not expired. The Authority hereby given may at any time be renewed, revoked or varied by Ordinary or Elective Resolution of the Company in general meeting or by written resolution.
- (b) All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the directors propose to issue 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 limited to a period (not being less than fourteen 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 any such Special Resolution as aforesaid shall be under the control of the directors, who may 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 therefore than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Sections 80, 80A and 379A of the Act.

- (c) In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

### **3. Transfer of Shares**

- (a) The directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of any share, whether or not a fully paid share, and Regulation 24 of Table A shall not apply to the Company.
- (b) The directors may at any time give notice requiring any person becoming entitled to a share in consequence of the death or bankruptcy of a member to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with. Regulation 31 of Table A shall be modified accordingly.

### **4. Shares**

- (a) In addition to the lien conferred by Regulation 8 in Table A 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 indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all monies presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.
- (b) The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment."

### **5. Purchase of own shares**

Subject to the provisions of the Act, the Company may enter into any contract for the purchase of all or any of its shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares and may make payments in respect of the redemption or purchase of such shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares. Every contract entered into in pursuance of this Article shall be authorised by such resolution of the Company as may for the time being be required by law but subject thereto the Directors shall have full power to determine or approve the terms of any such contract. Neither the Company nor the Directors shall be required to select the shares in question rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Subject to the provisions of the Act, the Company may agree to the variation of any contract entered into in pursuance of this Article and to release any of its rights or obligations under any such contract. Notwithstanding anything to the contrary contained in the Articles, the rights attaching to any class of shares shall not be deemed to be varied by anything done by the Company in pursuance of this Article. Regulation 35 of Table A shall not apply.

## **6. Financial Assistance**

The Company may give any form of financial assistance which is permitted by the Companies Acts 1985 and 1989 for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in the Company's holding company and Regulation 35 of Table A will be modified accordingly.

## **7. Notice of General Meetings**

- (a) The words "or a resolution appointing a person as a director" in Regulation 38 of Table A shall not apply to the Company.
- (b) Notice of any General Meeting need not be given to the Directors or the Auditors in their respective capacities as such. Regulation 38 of Table A shall be modified accordingly.

## **8. General meetings and resolutions**

- (a) Regulations 40 and 41 of Table A shall not apply to the Company.
- (b) No business shall be transacted at any General Meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation shall be a quorum, unless the Company has only one member in which case one member present in person or by proxy shall be a quorum.
- (c) If a quorum is not present within half an hour from the time appointed for a General Meeting, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefore, such adjourned General Meeting shall be dissolved.
- (d) In addition to the requirements of Regulation 100 of Table A, the directors shall also insert in the minute book of the Company:
  - (i) a memorandum of all decisions taken by a sole member when the Company has only one member which may have been taken by the Company in General Meeting and which have effect as if agreed in General Meeting; and
  - (ii) all written resolutions passed by the Company.
- (e) If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in Article 8(g) below.
- (f) Any decision taken by a sole member pursuant to Article 8(e) above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- (g) Resolutions under section 303 of the Act for the removal of a director before the expiration of his period of office and under section 391 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

## **9. Directors**

- (a) Regulations 73 to 81 inclusive in Table A shall not apply to the Company.
- (b) The first directors will be the person or persons named in the statement delivered to the Registrar of Companies in accordance with section 10 of the Act. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- (c) A person may be appointed a director notwithstanding that he shall have attained the age of 70 years and no director shall be liable to vacate office by reason of his attaining that or any other age.
- (d) A member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the company shall have power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument which shall be in writing and shall (except in the case of an appointment or removal by telex or a facsimile copy of an appointment or removal otherwise complying with the requirements of this Article) be executed by the member or members making the same or by their duly authorised attorneys or in such other manner as the directors may approve, and shall take effect upon such appointment or removal being deposited or received at the office or otherwise communicated to the company at the office or being handed or otherwise communicated to the chairman of a meeting of the directors at which a quorum is present.
- (e) In addition and without prejudice to the provisions of Section 303 of the Act, the Company may by Ordinary Resolution remove any director before the expiration of his period of office. Subject to the provisions of Table A and section 303(2) of the Act, the Directors or the Company by Ordinary Resolution may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director. In Regulation 38 of Table A, the words "or a resolution appointing a person as a director" shall be omitted.
- (f) A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effective for all purposes as a resolution of the directors as if it had been passed at a meeting of the directors duly convened and held and may consist of several documents in the like form each signed by one or more of the directors. For the purpose of this Article, the signature of an alternate director shall suffice in lieu of the signature of the director appointing him.
- (g) The directors may from time to time appoint one or more of themselves to be managing director or any other category of executive director for such period and on such terms as to remuneration or otherwise as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

## **10. Associate Directors**

- (a) The Directors may at any time and from time to time appoint any employee of the Company to the position of Associate Director.

- (b) An Associate Director shall advise and assist the Directors but shall not attend Board Meetings except at the invitation of the Directors, and when present at the Board Meetings he shall not be entitled to vote, nor be counted in the quorum, but subject as aforesaid he shall as Associate Director have such powers, authorities and duties as the Directors may in the particular case from time to time determine.
- (c) An Associate Director shall not be deemed a member of the Board, nor any committee thereof, nor shall he be a Director for any of the purposes of these Articles of Association or (so far as provision may lawfully be made in this behalf) for any of the purposes of the Companies Act 1985.
- (d) Without prejudice to any rights or claims the Associate Director may have under any contract with the Company, any appointment as an Associate director may be terminated by the Directors at any time and shall ipso facto terminate if the Associate Director shall from any cause cease to be an employee of the Company.
- (e) An Associate Director may receive such remuneration (if any) in addition to the remuneration received as an employee of the Company as the Directors shall from time to time determine.

## **11. Alternate Directors**

- (a) Each director shall have the power to nominate any other director or any other person to act as alternate director in his place, at any meeting of the directors at which he is unable to be present or during his inability to act as such director and at his discretion to remove such alternate director and on such appointment being made the alternate director shall (except as regards the power to appoint an alternate and the requirement, if any, of a share qualification) be subject in all respects to the terms and conditions existing with reference to the other directors of the Company.
- (b) The appointee, whilst he holds office as an alternate director, shall be entitled to receive notices of all meetings of the directors and in the absence from meetings of the director appointing him, shall be entitled to attend, speak and vote at meetings of the directors, and, whilst he holds office as an alternate director, shall exercise and discharge all the powers, rights, duties and authorities of the director he represents, but shall look to such director solely for his remuneration as alternate director.
- (c) Any director of the Company who is appointed an alternate director shall be entitled to an additional vote at a meeting of the directors for each director for whom he acts as alternate director as distinct from the vote to which he is entitled in his own capacity as a director of the Company, and shall also be considered as two or more directors, as the case may be, for the purpose of making a quorum of directors, provided always that not less than two individuals are present in person at the meeting. A person may act as an alternate for more than one director.
- (d) If a director shall die or cease to hold the office of director the appointment of his alternate shall thereupon cease and determine.
- (e) An alternate director, in the absence from general meetings of the director appointing him, shall be entitled to attend at general meetings of the Company.

- (f) Any instrument appointing or removing an alternate director shall be posted or delivered to the Secretary or the Registered Office of the Company or a meeting of the directors and shall not take effect unless and until so posted or delivered and all such instruments shall be retained by the Company. The failure to so post or deliver the instrument shall not affect the validity of the appointment or removal of the alternate director. Regulation 67 of Table A shall be modified accordingly.
- (g) An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 in Table A shall be modified accordingly.

## **12. Removal of Directors**

- (a) The office of a director shall be vacated ipso facto if the director:-
  - (i) he ceases to be a director by virtue of any provision of the Acts or he becomes prohibited by law from being a director; or
  - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (iii) he is, or may be, suffering from mental disorder and, in relation thereto, he is admitted to hospital for treatment or an order is made by any court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
  - (iv) he resigns his office by notice to the Company.

## **13. Disqualification of directors**

A director shall be required to vacate his office if:

- (a) he becomes incapable by reason of illness or injury of managing and administering his property and affairs and Regulation 81 in Table A shall be modified accordingly.
- (b) he shall be required to resign his office by notice in writing signed by the holder or holders of not less than three-fourths in nominal value of the issued shares of the Company and deposited at the registered office or submitted at a meeting of the Directors

## **14. Borrowing powers**

The directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes or the benefit of the Company or any other person upon such terms as to interest or otherwise as they may deem fit, and subject (in the case of any security convertible into shares) to Sections 80, 80A and 379A of the Act may for the purpose of securing the same and interest, or for any other purpose, create and issue any perpetual or redeemable debentures or debenture stock, bonds, securities or obligations of the Company at any time and in any form or manner

and for any amount, and may raise or borrow or secure the payment of any sum or sums of money either by mortgage or charge upon the undertaking of the whole or any part of the property, present or future, or uncalled capital of the Company, and any debentures, debenture stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued; and any debentures, debenture stock and other securities may be issued at a premium or otherwise, and with any special privileges as to redemption, surrender, transfer, drawings, allotments of shares, attending and voting at general meetings of the Company, appointment of directors and otherwise.

## **15. Proceedings of directors**

- (a) At any meeting of the directors or of any committee of the directors subject to disclosing his interest therein, a director may vote on any resolution notwithstanding that it in anyway concerns or relates to a matter in which he has, directly or indirectly any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting. Regulations 94 to 97 inclusive of Table A shall be construed accordingly.
- (b) Any director (including an alternate) or any member of a committee of directors may participate in a meeting of the directors or a committee of directors of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner will be deemed to constitute presence in person (or, as the case may be, by alternate) at such meeting and, for the purposes of determining whether the quorum for the transaction of business exists, any director or committee member in telephonic communication with a meeting of directors or of a committee as the case may be will be counted in the quorum, and Regulation 89 of Table A will be modified accordingly.
- (c) The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the company all or any of the powers delegated and may be made subject to such conditions as the board may specify and may be revoked or altered. The board may co-opt on to any such committee persons other than directors, who may enjoy voting rights in the committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are directors. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

## **16. Indemnity**

- (a) Subject to Section 310 of the Act, and in addition to such indemnity as is contained in Regulation 118 or Table A, every director, or other officer or official or Auditor of the Company shall be indemnified out of the funds of the company or



the proceeds of any insurance policy effected by the Company for such purpose against all costs, charges, losses, expenses and liabilities sustained or incurred by him in or about the execution and discharge of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

- (b) The directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.

#### **17. Share certificate**

In the second sentence of Regulation 6 of Table A, the words "shall be sealed with the seal and" shall be deleted. Each share certificate shall only be issued by authority of the directors, or of a committee of the directors authorised by the directors, and shall bear the signature of one director and the company secretary or a second director.

#### **18. Company seal**

- (a) Regulation 101 of Table A shall not apply to the Company. The Company shall not be required to, but may, at the discretion of the directors, keep a common seal. If such a seal is kept, it shall only be used by the authority of the directors, or of a committee of the directors authorised by the directors, and the directors may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by one director and countersigned by the secretary or a second director.
- (b) Where the Act permits, any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

#### **19. Winding up**

If the company is wound up the liquidator may without any further sanction of the members of the Company divide among the members in specie the whole or any part of the assets of the Company whether or not the assets consist of property of one kind or of properties of different kinds. He may for that purpose set such value as he deems fair upon any one or more class or classes of property and may determine how the divisions carried out as between the members or different classes of the members.

## 20. Single Member Company

- (a) If at any time the company has only one member, that is to say that all the issued shares of the company are registered in the name of a sole person (whether a natural person or a body corporate), it will be a single-member company within the meaning of the Companies (Single Member Private Limited Companies) Regulations 1982 (the "Single-Member Company Regulations"). If and so long as the company is a single-member company, the following provisions will apply notwithstanding anything to the contrary in these Articles or Table A:

- (b) **Annual General Meetings:** The sole member may decide to dispense with the holding of annual general meetings. Such decision will be effective for the year in which it is made and subsequent years, but nevertheless the sole member or the Auditors may require the holding of an annual general meeting in any such year in accordance with the procedure laid down in the Single-Member Company Regulations.

Where a decision to dispense with the holding of annual general meetings is in force, the accounts and the directors' and Auditors' reports that would otherwise be laid before an annual general meeting shall be sent to the sole member as provided in the Single-Member Company Regulations, and the provisions of the Acts with regard to the annual return and the accounts which apply by reference to the date of the annual general meeting will be construed as provided in the Single-Member Company Regulations.

- (c) **Quorum at General Meetings:** The sole member, present in person or by proxy, is a sufficient quorum at a general meeting.
- (d) **Resolutions of Shareholders:** All matters requiring a resolution of the company in general meeting (except the removal of the Auditors from office) may be validly dealt with by a decision of the sole member. The sole member must provide the Company with a written record of any such decision or, if it is dealt with by a written resolution under Table A, with a copy of that resolution, and the decision or resolution shall be recorded and retained by the company.
- (e) **Contracts with Sole Member:** Where the company enters into a contract with the sole member which is not in the ordinary course of business and which is not in writing, and the sole member also represents the company in the transaction (whether as a director or otherwise), the directors shall ensure that the terms of the contract are forthwith set out in a written memorandum or are recorded in the minutes of the next directors' meeting.