

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WATTS AND COMPANY LIMITED

ARTICLES OF ASSOCIATION

(Amended by special resolution passed on 31 December 2016)

M. R. Hoare

Director

The Regulations contained in Table A in Statutory Instrument 805 of 1985, save in so far as they are hereinafter excluded or modified, shall be, together with these Articles, the regulations of the Company:

SHARES

1 The Directors are authorised to allot any unissued shares in the capital of the Company for such consideration and upon such terms and at such times as the Directors may determine, but so that

the maximum number of shares that may be allotted by the Directors shall be the total number of shares (including any created by an Increase in the Capital) which, at the time when the allotment is made, have not already been allotted.

2 All shares forming part of the capital of the Company and for the time being unissued and all new shares shall, before issue be offered to members of the Company in proportion, as nearly as possible, to the number of shares held by them. The offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on receipt of an intimation from the person to whom the offer is made, that he declines the shares comprised in such offer, the Directors may dispose of those shares (subject to the other regulations of the Company) in such manner as they think proper.

The Directors may likewise dispose of any such shares as aforesaid which by reason of any difficulty in apportioning the same cannot be conveniently offered in accordance with the foregoing provisions.

3 The lien conferred by Clause 8 in Table A shall attach to all shares, whether fully paid or not, and to all shares registered in the name of any person for all monies presently payable by him or his estate to the Company, whether he be the sole holder or one of two or more joint holders thereof.

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- 4 (i) Without prejudice to Article 6 any share may be transferred either by way of sale or gift by a member to a person who is already a member or in the case of a member which is a company to a subsidiary or fellow subsidiary company thereof, and any share standing in the name of a deceased member may be transferred to any person becoming entitled under his or her will or intestacy or such deceased member's personal representatives and, on any change of trusteeship of shares held upon trusts, such shares may be transferred to the new and continuing trustees.
- (ii) Without prejudice to Article 6 any share may be transferred either by way of sale or gift by a member to an employee of the Company. In the event that the employee ceases to be an employee of the Company these shares owned by the employee shall be dealt with in accordance with Article 5. In the event that neither the current members nor the Company wish to acquire the shares in accordance with Article 5, the ex-employee will then be able to retain those shares.
- 5 (i) A Member wishing (or having as an ex-employee) to dispose of all or any of his shares other than in accordance with the provisions of Article 4(i) shall give notice of the fact to the Directors and such notice shall constitute the Company as the agent of the transferor member for the purpose of effecting the transfer and all matters appertaining thereto. The Directors shall offer the said shares to the remaining members in proportion to their then holding of shares on the date when the offer is made and such members shall have an option to purchase all or any of the shares offered to them, this option remaining open for three calendar months from the date on which the offer is made. If, within this period, a purchasing member is found such purchasing member shall be bound to complete the purchase within seven days. Notice of the finding of the purchasing member shall be given to the transferor member, who shall be bound on payment of the fair value to transfer the share or shares to the purchasing member. The transferor member shall deliver up his Certificate and shall thereupon be paid the purchase money.
- (ii) In the event of any dispute as to the value of the shares, the transfer of the shares shall be effected at a fair price as fixed by the Auditor for the time being to the Company; if there is no dispute as to the value of the shares they may be transferred at any agreed price.
- (iii) In the event that no member wishes to purchase the shares in accordance with Article 5(i) the Company may purchase such shares on the same terms as would have applied to the members, although the Company is not bound to make an offer.

SURRENDER OF SHARES

5A¹

- 5A.1 A shareholder may surrender any share:
- (a) in respect of which the directors may issue a notice of intended forfeiture,
 - (b) which the directors may forfeit, or
 - (c) which has been forfeited.
- 5A.2 The directors may accept the surrender of any such share.

¹ Article 5A was inserted by special resolution passed on 31 December 2016.

5A.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

5A.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

EFFECT OF FORFEITURE

5B²

5B.1 Subject to the Articles, the forfeiture of a share extinguishes:

- (a) all interests in that share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.

5B.2 Any share which is forfeited in accordance with the Articles:

- (a) is deemed to have been forfeited when the directors decide that it has been forfeited,
- (b) is deemed to be the property of the Company, and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

5B.3 If a person's share have been forfeited:

- (a) the Company must send to that person notice that forfeiture has occurred and record it in the register of shareholders,
- (b) that person ceases to be a shareholder in respect of those shares
- (c) that person must surrender the certificate for the share forfeited to the Company for cancellation
- (d) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

5B.4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interests and expenses due in respect of it and on such other terms as they see fit.

5B.5 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

5B.6 A statutory declaration by a director or the Company Secretary that the declarant is a director or the Company Secretary and that a share has been forfeited on a specified date:

² Article 5 B was inserted by special resolution passed on 31 December 2016.

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- (b) subject to compliance with an other formalities of transfer required by the Articles or by law, constitutes a food title to the share.

5B.7 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

5B.8 If the Company sells a forfeited share, the person who held it prior to its forfeiture is not entitled to receive any proceeds arising from the sale of such share and the Company is not required to account to such person for any money earned it.

6 Without prejudice to the provisions of Clause 24 in Table A, the Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share whether or not it is a fully paid share.

7 Shares issued pursuant to Clause 3 in Table A shall be subject to such terms and manner of redemption as the Company before the issue shall by Special Resolution determine.

SEAL

8 Clause 101 in Table A shall be amended by the addition of the following words at the end of the Clause: "or by some other person appointed by the Directors for the purpose".

DIRECTORS

9 A person may be appointed or elected as a Director, whatever his age, and no Director shall be obliged to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.

10 A Director may vote in respect of any contract or arrangement in which he is interested and may form part of the quorum for any meeting at which such voting occurs. Clauses 94, 95, 96 and 98 in Table A shall not apply to the Company; and Clause 97 in Table A shall apply as though the words "except that concerning his own appointment" were omitted.

11 The Company may by Extraordinary Resolution remove a Director before the expiration of his period of office and by Ordinary Resolution appoint another person as Director in his place. Such person appointed as aforesaid shall be subject to retirement at the same time as if he had become a Director on the day on which the Director he replaces was last elected a Director.

12 Until otherwise determined by the Company in General Meeting, the number of Directors (other than Alternate Directors) shall not be less than one nor more than six. So long as the minimum number remains thus fixed at one, a Sole Director may exercise all the powers vested in the Directors generally. Clauses 89 and 90 in Table A shall be modified accordingly, and Clause 64 in Table A shall not apply to the Company.