

**THE COMPANIES ACTS 1985 AND 1989**

**PRIVATE COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION OF**

**CHOCOLATE FIX LIMITED**

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1. The Company's name is CHOCOLATE FIX LIMITED.
2. The Company's registered office is in England and Wales.
3. The Company's objects are as follows:-
  - 3.1 to carry on business as a general commercial company;
  - 3.2 to acquire any property, and rights or privileges of any kind over or for any property which the Company may use or which the Directors believe may increase the value of the Company's other property;
  - 3.3 to acquire, protect, renew or dispose of any intellectual property rights which may benefit the Company and to make use of those rights;
  - 3.4 to experiment on, test and improve any patents, inventions or rights which the Company acquires or plans to acquire;
  - 3.5 to acquire an interest in the whole or part of or make any form of arrangement with any other company doing or intending to do any business similar to the Company's business. The Company may deal with any form of stock of the other company;
  - 3.6 to deal in any way with the Company's property and rights;
  - 3.7 to invest and deal with any money of the Company which the Company does not immediately need;
  - 3.8 to lend money, give guarantees, provide security or give credit to any person or association of persons the Company deals with on terms and conditions the Company decides;

- 3.9 to support or secure the performance of any responsibilities of any person or company associated with the Company in business or through shareholdings. (This includes any company which is a subsidiary or a holding company of the Company as defined in the Companies Act 1985.) The Company may do this by personal agreement, by covenant, by mortgaging the Company's property and assets, by using the Company's capital, or by any other method. This includes repaying loans and paying premiums, interest, dividends and any other costs relating to debentures, debenture stock, loan stock, shares or other securities;
- 3.10 to borrow or raise money in any way and to secure the repayment of this money by mortgage or other security over the Company's property and assets, and to ensure that the money borrowed or raised is repaid. The Company may also raise or borrow money in any way and secure the repayment of this money by mortgage or other security over the Company's property and assets to ensure that it carries out its obligations;
- 3.11 to draw, make, accept, endorse, discount, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and use any type of negotiable instrument which may help the Company achieve its objects;
- 3.12 to make arrangements with any government, authority, or other person or association of persons that may help the Company to achieve its objects;
- 3.13 to acquire and hold shares, stock or other interests or obligations in any company or corporation;
- 3.14 to promote any other company to carry out any operation which may benefit the Company;
- 3.15 to sell, let, licence, develop or otherwise deal with any part of the business of the Company on any terms the Company thinks fit and to accept shares, debentures, or securities of any company in return for this;
- 3.16 to act as a sub-contractor and to use sub-contractors, agents, brokers and others to carry out the business of the Company;
- 3.17 to provide financial help according to Sections 155 to 158 of the Companies Act 1985 for any purpose set out in Sections 151(1) and 151(2) of that Act. (Sections 155 to 158 and 151(1) and 151(2) cover

situations where the Company offers assistance to potential shareholders to purchase shares in the Company.);

- 3.18 to pay any person or company providing services to the Company in cash, shares or other company securities (credited as fully paid or partly paid);
- 3.19 to use the Company funds to pay all costs involved in promoting, forming and creating the Company as a legal corporation or to contract with another person or company to pay these;
- 3.20 to pay commission to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any of the Company's shares and securities;
- 3.21 to take out and renew insurance policies to cover the Company officers and auditor against any costs, expenses and liabilities arising from negligence, default or breach of duty or trust in relation to their duties as permitted by section 310(3) of the Companies Act 1985;
- 3.22 to support any charitable or public object, and any institutions, society, or club which may benefit the Company, its directors or employees;
- 3.23 to pay the directors of the Company in any way the Company thinks fit;
- 3.24 to provide pensions and other funds for past and present employees of the Company and others in the service of the Company or of any holding company of the Company or subsidiary company of the Company and for their dependants;
- 3.25 to make payments towards life insurance for past and present employees of the Company, and others in the service of the Company and of any holding company of the Company or subsidiary company of the Company and for their dependants;
- 3.26 to set up and maintain profit sharing, share option or share purchase schemes for the benefit of the employees of the Company or employees of any subsidiary or holding company of the Company and to lend money to employees or trustees to set up or maintain these schemes;
- 3.27 to distribute the Company's property among the shareholders of the Company.
- 3.28 to do any other things which may help the Company to achieve its objects;



# THE COMPANIES ACTS 1985 AND 1989

## PRIVATE COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION OF

### CHOCOLATE FIX LIMITED

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#### **The meaning of certain words used in the Articles:**

The following table defines some words used in the Articles. After the Articles there is a glossary which explains various words and expressions which appear in the Memorandum and the Articles. The glossary is not part of the Memorandum or Articles and does not affect their meaning.

<b>Words</b>	<b>Definition</b>
Articles	The Articles of Association of the Company
the Act	The Companies Act 1985 and any amendments to or any re-enactment of that Act.
Memorandum	The Memorandum of Association of the Company
Table A	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 and The Companies Act 1985 (Electronic Communications) Order 2000)

#### **Preliminary articles**

- 1.1 The regulations contained in Table A apply to the Company.
- 1.2 Words which refer to a single number also refer to plural numbers and the other way round.
- 1.3 Words which refer to males also refer to females and to companies.

- 1.4 References to a 'person' or 'people' include companies, corporations and unincorporated associations.

### **Allotment of shares**

- 2.1 The directors of the Company will have full control of the shares which are part of the Company's authorised share capital. During the five years from the date of incorporation they may allot these shares and other relevant securities to people on terms and conditions as they see fit. However, the directors may not issue more shares than are comprised in the authorised share capital. After the five year period the directors may allot the shares under any agreement or offer to do so which was made before the five year period ended. This authority may at any time be revoked, varied or renewed by ordinary resolution of the Company.
- 2.2 Unless there is a special resolution to direct otherwise, the Company will offer shares which the directors propose to allot and which are not part of the Company's authorised share capital when the Company became a corporation to the shareholders of the Company in proportion to the number of shares the shareholders already hold. The Company will offer these shares by notice for a limited period of at least 14 days after which time the offer will lapse. After that period the Company will offer any remaining shares to those who have already accepted all the shares the Company has offered them in proportion to the number of shares held before the original offer was made.
- There may be shares left over which the Directors cannot offer under the above provisions except as fractions. The directors may deal with these shares or with any shares released by special resolution (see above) as they think fit. However, the directors must not dispose of these shares on terms which are more favourable than the terms on which they were offered to the shareholders.
- 2.3 Article 2.2 has effect subject to Sections 80 (which defines how the directors may be authorised to allot shares), 80A (which defines how the duration of the authority may be extended) and 379A (which deals further with the extension of the authority) of the Act.
- 2.4 Under Section 91(1) of the Act, Sections 89(1) and 90(1) to (6) (inclusive) of the Act do not apply to the Company.
3. The Company has a lien over all shares including fully paid shares registered in the name of anyone who owes or has a liability to the Company. Regulation 8 of Table A which deals with liens over shares is modified accordingly.

## **Transferring shares**

4. The directors may refuse to register a transfer of any share. They do not have to give any reasons for refusing. The first sentence of Regulation 24 of Table A which refers to partly paid shares only does not apply.

## **Transmission of shares**

- 5.1 Regulation 31 of Table A does not apply to the Company and the following Article 5.2 applies instead.
- 5.2 If a shareholder dies or is declared bankrupt, the person who receives his shares will have the same rights as the shareholder except that until registered as the new shareholder, that person will not be entitled to attend and vote at any company meeting (also known as a shareholders' meeting) or at a meeting of the holders of the relevant class of shares (if there is more than one class). If the Company is without directors for any reason however the new shareholder will be entitled to vote on any resolution to appoint a new director before being registered as a shareholder.

## **General meetings and resolutions**

- 6.1 Regulations 40 and 41 of Table A do not apply to the Company and articles 6.2 and 6.3 apply instead.
- 6.2 There must be a quorum present before a meeting starts to do business and throughout the meeting. A quorum is two people entitled to vote on the business. Each person must be a shareholder, a proxy for a shareholder or an authorised representative of a corporation. However, if the Company has only one shareholder, that shareholder in person or by proxy will be a quorum.
- 6.3 If there is no quorum present within half an hour of the time the meeting is due to start, the meeting will be adjourned until the same day the next week at the same time and place or to any other day, time and place the directors decide. If there is no quorum present at the adjourned meeting within half an hour of the time it is due to start that meeting will be dissolved.
- 6.4 Regulation 100 of Table A outlines the requirements of the directors to keep minutes of meetings and certain events. In addition the directors must record in the minute book of the Company:
  - 6.4.1 all decisions taken by a sole shareholder where there is only one shareholder; and
  - 6.4.2 all written resolutions the Company has passed.

## **Appointing directors**

- 7.1 Regulation 64 of Table A setting out the maximum and minimum number of directors does not apply to the Company.
- 7.2 The Company will decide by ordinary resolution the maximum and minimum number of directors. If the Company does not announce a decision there will be no maximum number of directors and the minimum number will be one. If there is only one director, that director will be able to exercise all the directors' powers set out in Table A and these articles. Regulation 89 of Table A regarding the number of directors which constitutes a quorum is modified accordingly.
- 7.3 Directors do not have to retire at any specific time. Regulations 73 to 77 (inclusive) and Regulation 80 of Table A regarding the retirement of directors do not apply to the Company. In Regulation 78 the words 'and may also determine the rotation in which any additional directors are to retire' are deleted.

## **Borrowing powers**

8. The directors may use all the powers of the Company to borrow unlimited amounts of money on terms and in such a way as they think fit. Subject to Sections 80, 80A and 379A of the Act, they may also agree to a mortgage, charge or security over the business of the Company, its property and uncalled capital. They may issue debentures, debenture stock and other securities outright or as security for a debt, liability or obligation of the Company or any third party.

## **Alternate directors**

9. Alternate directors are not entitled to any payment from the Company. The Company may pay them part of any amount the Company would otherwise pay to the person who appointed them if that person instructs the Company to do so in writing. The first sentence of Regulation 66 of Table A regarding the rights of the alternate director to receive remuneration for his services is modified accordingly.

## **Disqualifying directors**

10. A Director who can no longer manage or administer his affairs because of illness or injury must leave his office. Regulation 81 of Table A listing the events where directors must retire from office is modified accordingly.



### **Proceedings at directors' meetings**

11. Directors can vote on any resolution, and shall form part of the quorum, at directors' meetings or meetings of committees of the directors as long as they declare any direct or indirect interest they may have in the matter under vote.
12. Directors and directors' committee members can take part in meetings by conference telephone call or other means of telecommunication as long as everyone involved in the meeting can hear each other. Directors and directors' committee members taking part in this way will be considered present at the meeting and will be entitled to vote and be counted in the quorum. The meeting will be recorded as taking place where the largest group of those taking part is gathered. If there is no such group, the meeting location will be recorded as the place where the chairman of the meeting is.

### **Indemnity**

13. Subject to section 310 of the Act, all the directors, officers and auditors of the Company will be entitled to payments from the funds of the Company or insurance policies to cover any costs, charges or losses they have to pay in carrying out their duties.

### **Share certificates**

14. In the second sentence of Regulation 6 of Table A with regard to the entitlement and issue of share certificates the words 'shall be sealed with the seal and' are deleted. Share certificates can only be issued if approved by the directors or a directors' committee. The share certificates must be signed by one director and the company secretary or two directors.

### **Company seal**

15. Regulation 101 of Table A regarding usage of the company seal does not apply to the Company. The Company does not need to have a company seal. If the directors decide that the Company should, the seal must only be used with the approval of the directors or of a directors' committee. The directors may decide who should sign any document the seal is attached to. Unless they make a specific decision, this will be a director and the company secretary or two directors.

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Name and address of the subscriber

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York Place Company Nominees Limited  
12 York Place  
Leeds LS1 2DS

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Dated 05 July 2002

# GLOSSARY

<b>Word</b>	<b>Meaning</b>
Allotment	An allotment of shares gives the person with the allotment an unconditional right to buy the shares at a fixed price
Attorney	This is a person appointed to act for another person. The 'attorney' is appointed by a formal document known as a 'power of attorney'
Authorised share capital	This is the highest amount of share capital (as set out in the company's Memorandum of Association) that a company is permitted to issue
Bare trustee	A bare trustee holds property on trust for another person until asked to return the property
Bill of exchange	This is an unconditional, signed document which requires the person it is addressed to, to pay a stated amount of money according to the instructions on the document. A cheque is an example of one
Bill of lading	This is a document recording the goods to be carried on a ship, and the terms of their carriage
Breach of duty	This is to fail to carry out something required by law (or to do something which the law forbids)
Breach of trust	This happens if a trustee does something which is against the trust's rules (or if the trustee fails to do something required by the trust's rules)
Covenant	This is a contract
Debenture	This is the name for certain long-term loans to a company. The loans may be secured or unsecured.
Domiciled	This means permanently based in a country
Execute	To carry out a contract
Fully paid share	A share becomes fully paid when all money due to the Company for the shares has been paid
Holding company	This is a company which controls another company, normally by owning the majority of its shares
Intellectual property rights	This is the general name for rights such as copyrights and patents
Issued share capital	This is the amount of a company's share capital which shareholders have subscribed for (even though they might not have paid yet)
Lien	If the Company has a lien over shares it can sell the shares to repay a debt or it can keep any dividends the shares earn
Mortgage	This is the name given to using property as security for a debt
Negotiable instrument	This is a signed document, such as a cheque, which can be sold or transferred
Ordinary resolution	This is a decision reached by a simple majority (more than half) of the votes cast on the resolution
Partly paid share	While there is still money owing to the Company to

Proxy	<p>pay for a share, it is said to be partly paid</p> <p>This is someone appointed by a shareholder to attend a meeting and vote at the meeting for the shareholder</p>
Quorum	<p>This is the lowest number of people, entitled to attend and vote at a meeting, which is required for the meeting to be valid</p>
Relevant securities	<p>These are any shares except:</p> <ul style="list-style-type: none"> <li>• shares taken by the subscribers to the memorandum</li> <li>• shares issued under an employees' share ownership scheme</li> </ul> <p>The term also applies to share options and to shares which can be converted into ordinary shares</p>
Remuneration	<p>This is to pay for services. Salary and benefits in kind are examples of remuneration</p>
Securities	<p>This is the name for assets such as shares, debentures, unit trusts and so on</p>
Special Resolution	<p>This is a decision reached by a majority of at least 75% of the votes cast on the resolution</p>
Subject to...	<p>Under the conditions in.....</p>
Subsidiary company	<p>This is a company which is controlled by another company, usually because the other company owns the majority of the shares</p>
Uncalled capital	<p>When a company has not yet asked for payment of part of its issued share capital the unpaid part is called 'uncalled capital'.</p>
Warrants	<p>A warrant gives its owner the right to subscribe for ordinary shares in a company on a fixed date and usually at a set price</p>