

No. of Company . . . . .

1095274

Form No. 41  
to registration  
fee payable)

## THE COMPANIES ACTS 1948 TO 1967

### Declaration of compliance

Pursuant to Section 15(2) of the Companies Act 1948

Name of Company . . . . . NORTHROSE Limited\*

I, . . . . GEORGE ALBERT CORDEROX,  
of . . . . . TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON, EC4Y 0HP,

Do solemnly and sincerely declare that I am ~~(secretary)~~ a person named  
in the Articles of Association as a Secretary (17)  
of . . . . . NORTHROSE Limited\*

And that all the requirements of the Companies Act, 1948, in respect of matters precedent to the registration of the said Company and incidental thereto have been complied with. And I make this solemn Declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1835.

Declared at . . . . TEMPLE CHAMBERS,  
                  TEMPLE AVENUE,  
                  LONDON, E.C.4.

the 19th day of January  
one thousand nine hundred and seventy three

before me.

A. R. PONSFORD

A Commissioner for Oaths (see note (b) below)

(a) "a Solicitor of the Supreme Court" (or in Scotland "a Solicitor")  
"engaged in the formation", or "a person named in the articles of association as a  
director", or "a person named in the articles of association as a secretary"

(b) or Notary Public or Justice of the Peace

\* Delete "Limited" if not applicable.

Presented by:

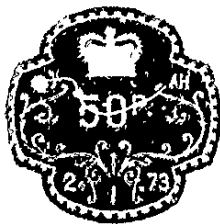
THE LONDON LAW AGENCY LIMITED,  
TEMPLE CHAMBERS,  
TEMPLE AVENUE,  
LONDON, EC4Y 0HP.

TELEPHONE: 01 - 353 9471 (4 lines).

Presenter's reference:

No. of Company ..... 1095274/2

VR78



# Statement of nominal capital

Made pursuant to Section 112 of the Stamp Act 1891

Name of Company ..... NORTHROSE ..... Limited

The nominal capital of the above company is £ ..... 100 .....

Signature ..... G. A. Browning .....

Description ..... SECRETARY .....

Date ..... 1 JAN. 1973 .....

## NOTES

The stamp duty on the nominal capital is 50p for every £100 or fraction of £100 (Section 41, Finance Act 1938).

This statement is to be filed with the Memorandum of Association, or other document, when the company is registered.

Presented by:

THE LONDON LAW AGENCY LIMITED  
TEMPLE CHAMBERS,  
TEMPLE AVENUE, LONDON, EC4X 0HP.  
Telephone: 01-403 9471/4

Presentor's reference:

Stamps

1095274/3 120 1973

THE COMPANIES ACTS 1948 TO 1967

120

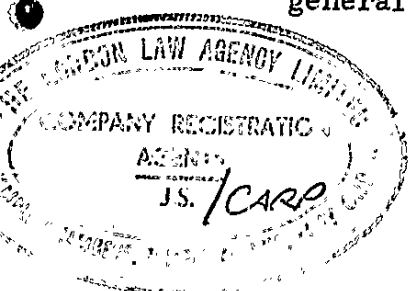
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

NORTHROSE LIMITED

1. The Name of the Company is *NORTHROSE LIMITED*.
2. The Registered Office of the Company will be situate in England.
3. The Objects for which the Company is established are :-
  - (A) To carry on all or any of the businesses of agents for the sale of, importers, exporters, manufacturers, packers, storers, distributors, designers, fitters, and repairers of, and dealers in carpets, floor coverings, furniture, upholstery, drapery, curtains, bedding, household linen, and soft furnishings of every description, blinds, stoneware, earthenware, enamelled ware, silver and other plate, cutlery, electroplated goods, jewellery, watches, clocks, ironmongery, chinaware, brassware, crockery, pottery, curios, antiques, musical instruments, gramophones and gramophone accessories, radio, television, and electrical apparatus, and supplies, heating, plumbing, cooking and sanitary systems, apparatus, equipment and accessories, cycles, perambulators, toys and commercial and domestic furnishings, fittings and equipment of every description, proprietors and operators of carpet and furniture centres, drapers, tailors, outfitters, dealers in clothes and wearing apparel, textiles and fabrics of all kinds, furniture depository proprietors, haulage contractors, general carriers, railway, forwarding and shipping agents, house and estate agents, auctioneers and valuers, house, shop and office furnishers and fitters, builders' merchants, electricians, electrical, gas, hot water and sanitary engineers and contractors, ironmongers, and general merchants, agents and traders.



- (B) To carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with the objects specified in Sub-Clause (A) hereof.
- (C) To purchase or by any other means acquire any property for any estate or interest whatever, and any rights, privileges, or easements over or in respect of any property, and any buildings, offices, factories, mills, works, wharves, roads, railways, tramways, machinery, engines, rolling stock, vehicles, plant, stock, barges, vessels, or things, and any real or personal property or rights whatsoever which may be necessary for, or may be conveniently used with, or may enhance the value of, any other property of the Company.
- (D) To erect, construct, maintain, alter, enlarge, pull down, and remove or replace any buildings, offices, factories, mills, works, wharves, roads, railways, tramways, machinery, engines, walls, fences, banks, dams, sluices, or watercourses and to clear sites for the same, or to join with any person, firm, or company in doing any of the things aforesaid, and to work, manage, and control the same or join with others in so doing.
- (E) To purchase or otherwise acquire, take over, and undertake the whole or any part of the business and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm, or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance with any such person, firm, or company, or for subsidising or otherwise assisting any such person, firm, or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any Shares, Debentures, Debenture Stock, or Securities that may be agreed upon, and to hold and retain, or sell, mortgage, and deal with any Shares, Debentures, Debenture Stock, or Securities so received.

- (F) To apply for, register, purchase, or by other means acquire and protect, prolong, and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, licences, trade marks, designs, protections, and concessions, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions, or rights which the Company may acquire or propose to acquire.
- (G) To improve, manage, cultivate, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (H) To lend and advance money or give credit to such persons, firms, or companies and on such terms as may seem expedient, and to give guarantees or become security for any such persons, firms, or companies.
- (I) To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of Debentures or Debenture Stock, and to secure the repayment of any money borrowed, raised, or owing, by mortgage, charge, or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled Capital, and also by a similar mortgage, charge, or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
- (J) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (K) To invest and deal with the moneys of the Company not immediately required in such shares or upon such securities and in such manner as may from time to time be determined.

- (L) To apply for, promote, and obtain any Act of Parliament, Provisional Order, or Licence of the Board of Trade or other Authority for enabling the Company to carry any of its objects into effect, or for any purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (M) To enter into any arrangements with any Governments or Authorities or any companies, firms, or persons that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such Government, Authority, company, firm, or person any charters, contracts, decrees, rights, privileges, and concessions, and to carry out, exercise, and comply with any such charters, contracts, decrees, rights, privileges, and concessions.
- (N) To act as agents or brokers and as trustees for any person, firm, or company, and to undertake and perform sub-contracts, and also to act in any of the businesses of the Company through or by means of agents, brokers, sub-contractors, or others.
- (O) To subscribe for, purchase, or otherwise acquire and hold Shares or other interests in or Securities of any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being carried on so as directly or indirectly to benefit this Company.
- (P) To remunerate any person, firm, or company rendering services to this Company, either by cash payment or by the allotment to him or them of Shares or securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (Q) To support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid to any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served

the Company, and to the wives, widows, children, and other relatives and dependents of such persons; to make payments towards insurance; and to set up, establish, support, and maintain superannuation and other funds or schemes for the benefit of any of such persons and of their wives, widows, children, and other relatives and dependents.

- (R) To promote any other company for the purpose of acquiring the whole or any part of the business or property and undertaking any of the liabilities of this Company, or of undertaking any business or operations which may appear likely to assist or benefit this Company or to enhance the value of any property or business of this Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (S) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (T) To distribute among the Members of the Company in kind any property of the Company, and in particular any shares, debentures, or securities of other companies belonging to this Company or of which this Company may have the power of disposing.
- (U) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any Shares, Debentures, Debenture Stock, or other Securities of this Company.
- (V) To procure the Company to be registered or recognised in any part of the world.

- (W) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

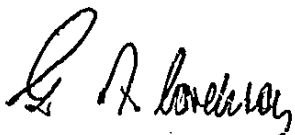
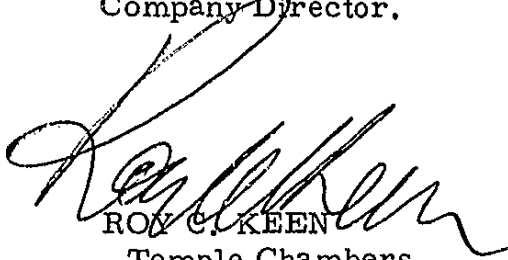
It is hereby expressly declared that each Sub-Clause of this Clause shall be construed independently of the other Sub-Clauses hereof, and that none of the objects mentioned in any Sub-Clause shall be deemed to be merely subsidiary to the objects mentioned in any other Sub-Clause.

4. The Liability of the Members is Limited.

5. The Share Capital of the Company is £100, divided into One Hundred Shares of £1 each.



WE the several persons whose Names, Addresses, and Descriptions are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES, AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
 GEORGE A. CORDEROY Temple Chambers, Temple Avenue, London, EC4Y 0HP. Company Director.	One
 ROY C. KEEN Temple Chambers, Temple Avenue, London, EC4Y 0HP. Company Director.	One

Dated the 1st day of January, 1973.

Witness to the above Signatures:-



NIGEL L. BLOOD  
Temple Chambers,  
Temple Avenue,  
London, EC4Y 0HP.

THE COMPANIES ACTS, 1948 TO 1967

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

*NORTHROSE LIMITED*

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PRELIMINARY.

1. The Regulations contained in Part I of Table A in the First Schedule to The Companies Act, 1948 (such Table being hereinafter referred to as "Table A") shall apply to the Company save in so far as they are excluded or varied hereby: that is to say, Clauses 24, 53, 75, 77, and 79 in Part I of Table A shall not apply to the Company; and in addition to the remaining Clauses in Part I of Table A, as varied hereby, the following shall be the Regulations of the Company.

2. The Company is a Private Company and Clauses 2, 4 and 5 (but not Clauses 1 and 3) in Part II of Table A shall apply to the Company.

SHARES.

3. The Shares shall be under the control of the Directors, who may allot and dispose of or grant options over the same to such persons, and on such terms, and in such manner as they think fit.

4. The lien conferred by Clause 11 in Part I of Table A shall attach to fully paid up Shares, and to all Shares 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.

## GENERAL MEETINGS.

5. Clause 54 in Part I of Table A shall be read and construed as if the words "Meeting shall be dissolved" were substituted for the words "Members present shall be a quorum".

## DIRECTORS.

6. Unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall not be more than seven but need not exceed one. If and so long as there is a sole Director, he may exercise all the powers and authorities vested in the Directors by these Articles or Table A.

7. The first Directors of the Company shall be appointed by the Subscribers hereto by an Instrument in writing under their hands.

8. A Director shall not be required to hold any Share qualification but he shall be entitled to receive notice of and to attend and speak at any General Meeting of the Company; and Clause 134 in Part I of Table A shall be modified accordingly.

9. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and 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.

10. A Director 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; and Clause 84 in Part I of Table A shall be modified accordingly.

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

## ALTERNATE DIRECTORS.

12. Any Director may appoint any person approved by the Board to be an Alternate Director and may at any time revoke any such appointment. An Alternate Director shall be entitled to receive notice of and to attend and vote at Meetings of Directors, but shall not be entitled to any remuneration from the Company. Any appointment or revocation made under this Article shall be in writing under the hand of the Director making the same.

## ACCOUNTS.

13. Clause 126 in Part I of Table A shall be read and construed subject to the provisions of Sections 16 to 22 of The Companies Act, 1967.

14. Clause 130 in Part I of Table A shall be read and construed subject to the provisions of Sections 13 and 14 of The Companies Act, 1967.

## TRANSFER OF SHARES.

15. 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.

## SHARE CAPITAL.

16. The Share Capital of the Company is £100 divided into One Hundred Shares of £1 each.

## SECRETARY.

17. The first Secretary of the Company shall be GEORGE ALBERT CORDEROY.

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NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

---

*G. A. Corderoy*

GEORGE A. CORDEROY  
Temple Chambers,  
Temple Avenue,  
London, EC4Y 0HP.  
Company Director.

*Roy C. Keen*  
ROY C. KEEN

Temple Chambers,  
Temple Avenue,  
London, EC4Y 0HP.  
Company Director.

---

Dated the 1st day of January, 1973.

Witness to the above Signatures :-

*Nigel L. Blood*

NIGEL L. BLOOD  
Temple Chambers,  
Temple Avenue,  
London, EC4Y 0HP.



## CERTIFICATE OF INCORPORATION

No. 1095274

I hereby certify that

**NORFOLK ROSE LIMITED**

is this day incorporated under the Companies Acts 1948 to 1967 and that the Company is Limited.

Given under my hand at London the 9th February 1973

*N Taylor*  
(N. TAYLOR)

Assistant Registrar of Companies

The Companies Acts 1948 to 1967

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION  
OF  
NORTHROSE LIMITED

Passed 13th February 1973

AT an EXTRAORDINARY GENERAL MEETING of NORTHROSE LIMITED,  
duly convened, and held at 29 Chesham Place, London SW1, on the  
13th February 1973, the following RESOLUTION was duly passed as a  
SPECIAL RESOLUTION:

RESOLUTION

THAT the name of the Company be changed to "HUGO RUSSELL  
& CO. LIMITED".

*[Signature]*

Chairman



**CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME**

No. 1093274

I hereby certify that

**NORTHOSE LIMITED**

having by special resolution and with the approval of the Secretary of State changed its name, is now incorporated under the name of

**HUGO RUSSELL & CO. LIMITED**

Given under my hand at London the **1st March 1973**

*N Taylor*  
(N. TAYLOR)  
Assistant Registrar of Companies



The Companies Acts 1948 to 1967

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COMPANY LIMITED BY SHARES

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ORDINARY RESOLUTION  
OF  
HUGO RUSSELL & CO. LIMITED ✓

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Passed 1st June 1973

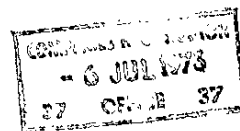
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AT an EXTRAORDINARY GENERAL MEETING of HUGO RUSSELL  
& CO. LIMITED, duly convened, and held at 29 Chesham Place,  
London SW1, on the 1st June 1973, the following RESOLUTION was  
duly passed as an ORDINARY RESOLUTION:

RESOLUTION

THAT the capital of the Company be increased to  
£5,000 by the creation of 4,900 Ordinary Shares of  
£1 each ranking pari passu with the existing Ordinary  
Shares of the Company.

 Chairman



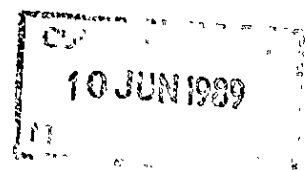
Company Number 1095274  
The Companies Act 1985  
Hugo Russell & Co. Limited

NOTICE IS HEREBY GIVEN that the following resolutions were passed as special resolutions of Hugo Russell & Co. Limited at the Annual General Meeting of the company held at 23 Harcourt House, 19 Cavendish Square, London W1M 9AB on *19th May 1989*  
at *11.30* *pm:-*  
*R*

1. THAT the existing authorised share capital of the company be re-designated and divided into 2,500 "A" Ordinary Shares of £1 each and 2,500 "B" Ordinary Shares of £1 each such shares having the rights set out in the Articles of Association to be adopted pursuant to resolution 2.
2. THAT the Articles of Association contained in the document produced to the meeting and for the purposed of identification, initialled by the Chairman, be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association with effect from the date of this resolution.

*[Signature]*  
.....  
CHAIRMAN

*19 May 1989*  
.....  
Date



ARTICLES OF ASSOCIATION  
(As adopted at the Annual General Meeting of the Company on  
19th May 1989)

PRELIMINARY

1. The Company shall be a private company within the meaning of the Companies Act 1985 (hereinafter referred to as "the Act") and subject as hereinafter provided the regulations contained or incorporated in Table A in the Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company. Reference to any provisions of the Act shall where the context so admits be construed as and include a reference to such provision as modified by any statute for the time being in force.
2. Regulations 8, 23, 24, 61, 73, 74, 75, 80, 81, 84, 89, 95, 97 and 118 of Table A shall not apply to the Company, but the Articles hereinafter contained, together with the remaining regulations of Table A, but subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

SHARE CAPITAL

- 3.1 The authorised share capital of the Company at the date of the adoption of these Articles is £10,000 divided into 10,000 Ordinary Shares of £1 each (of which 5,000 are in issue fully paid up or credited as fully paid) divided into:-
  - 3.1.1 5,000 'A' Shares of £1 each (of which 2,500 are in issue fully paid up or credited as fully paid);
  - 3.1.2 5,000 'B' Shares of £1 each (of which 2,500 are in issue fully paid up or credited as fully paid);
- 3.2 For the purposes of Section 80 of the Act, the Directors shall have general and unconditional authority to allot any relevant securities up to the maximum amount hereinafter laid down. The maximum amount of relevant securities which may be allotted under the authority hereby conferred shall be the amount which would result in the issue of all the shares in the Company for the time being unissued. The authority hereby conferred shall expire five years after the date of adoption of this Article unless, renewed, varied or revoked by ordinary resolution of the Company, in general meeting at any time.
- 3.3 The Company may for the purpose of Section 80(7) of the Act prior to the expiry of the authority conferred

by Article 3.2 or any variation or renewal of such authority make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the authority so conferred shall be construed accordingly and the Directors may allot relevant securities notwithstanding that the authority so conferred has expired.

- 3.4.1 For the purposes of Section 95(1) of the Act the Directors shall have power to allot equity securities pursuant to the authority conferred by Article 3.2 as if Section 89(1) of the Act did not apply to the allotment.
- 3.4.2 For the purposes of Section 95(3) of the Act the power conferred by Article 3.4.1 shall cease to have effect when the authority to which it relates is revoked, or would, if not reviewed, expire provided always that if the authority to which the said power relates is renewed such power may also be renewed by special resolution of the Company for a period not longer than that for which the authority is renewed.
- 3.4.3 For the purposes of Section 95(4) of the Act, the power conferred by Article 3.4.1 or any renewal thereof under Article 3.4.2 enables the Company prior to the expiry of such power to make an offer or arrangement which would or might require equity securities to be allotted under the expiry of such power and the Directors may allot equity securities in pursuance to such offer or arrangement notwithstanding that such power has expired.
- 3.5 Subject to the provisions of the Act and save as otherwise provided by these Articles all unissued shares which the Directors are authorised to allot shall be under the control of the Directors who may allot, grant options over, or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions and in such manner as they may determine.
- 3.6 Subject to the provisions of the Act and to any direction to the contrary that may be given by special resolution and save as otherwise provided by these Articles, all unissued shares of the Company shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the number of existing shares held by them. The offer shall be made by notices specifying not less than fourteen days within which the offer, if not accepted, will be deemed to have been 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 to accept the shares offered, whichever is the earlier, the Directors may

dispose of those shares in such manner as they think fit but on no more favourable terms than those offered to existing holders of shares. The Directors may likewise dispose of any new shares in such manner as they think fit which are incapable of being offered rateably as aforesaid except by way of fractions.

- 3.7 In this Article "relevant securities" and "equity securities" shall have the meanings ascribed thereto in Section 80(2) and 94 of the Act respectively and references to the allotment of "relevant securities" and "equity securities" shall be construed in the same manner as in those Sections respectively.
4. The rights and restrictions attaching to the two classes of shares set out in Article 3 above are as follows:-
- 4.1 As Regards Income
- 4.1.1 Each of the 'A' Shares shall confer upon the holders thereof the priority right ("the Priority Right") to receive rateably inter se not less than one third of the Company's distributable profits in each accounting reference period of the Company commencing with that accounting reference period which will come to an end on the 31st December 1989 or in the event of any change in the Company's accounting reference period in the next accounting period succeeding that accounting reference period of the Company which came to an end on the 31st December 1988 in the form of dividends or interim dividends ("the Priority Dividends") which respectively the Company or the Directors shall be obliged to distribute and determine to distribute in respect of each such accounting period of the Company.
- 4.1.2 The Priority Right shall cease to have effect upon the happening of either of the following events whichever shall first occur
- 4.1.2.1 when the cumulative total of the Priority Dividends (gross of any deductions for ACT) reaches eight hundred thousand pounds (£800,000); or
- 4.1.2.2 upon the exercise of the 'B' holders Option defined in Article 5 below by the then holders of the 'B' Shares
- 4.1.3 Subject to the Priority Right each of the 'A' Shares shall confer upon the holders thereof the right to receive rateably inter se 50% of the aggregate amount or amounts of any dividend or interim dividend which respectively the Company or the Directors may determine to distribute in respect of each accounting reference period of the Company out of the Company's distributable profits after making provision for the Priority Right
- 4.1.4 The expressions "distributable profits" and "accounting reference period" shall be given the meanings respectively ascribed thereto by S.152(1)(b) and S.224 of the Act

4.1.5 Subject to the 'A' holders Priority Right each of the 'B' Shares shall confer upon the holders thereof the right to receive rateably inter se 50% of the aggregate amount or amounts of any dividend or interim dividend which respectively the Company or the Directors may determine to distribute in respect of each financial year or other accounting period of the Company.

4.2 As Regards Capital

On a return of capital whether on a liquidation or otherwise the assets of the Company available for distribution ("the assets") amongst the members shall be applied as follows:-

4.2.1 in paying pari passu to the holders of the 'A' Shares in the same proportions or as near thereto as the circumstances admit, as their holding of 'A' Shares bears to the number of 'A' Shares then in issue an amount equal in value to what remains of the assets after deduction of the Relevant Proportion from the value of the assets where the Relevant Proportion shall be represented by the calculation

$$\frac{£100,000 + \frac{1}{2} A}{£1 \text{ million}} \times B$$

where 'A' equals the cumulative total of the Priority Dividends (gross of any deductions for ACT) paid or payable to the holders of the 'A' Shareholders pursuant to the Priority Right and 'B' equals the value of the assets as certified by the auditors for the time being of the Company acting as experts and not as arbitrators

4.2.2 to the extent that there are any 'B' Shares then in issue and designated as such in paying pari passu to the holders of the 'B' Shares in the same proportions, or as near thereto as the circumstances admit, as their holding of 'B' Shares bears to the number of 'B' Shares then in issue an amount equal in value to the Relevant Proportion of value of the assets;

4.3 As Regards Voting

4.3.1 For so long as there are any 'A' Shares in issue and designated as such the holders of the 'A' Shares shall be entitled as a class on a poll to cast subject to Article 4.3.4 below such number of votes as equals 50% of all votes cast on any resolution

4.3.2 For so long as there are any 'B' Shares in issue and designated as such the holders of the 'B' Shares shall be entitled as a class on a poll to cast such number of votes as equals 50% of all votes cast on any resolution.

4.3.3 The holders of the 'A' Shares shall be entitled to appoint to the Board of the Company one 'A' Director (with the special powers referred to in Article 7 below) and require his removal giving in each case 7

days notice to the holders of the 'B' Shares of such appointment or renewal

- 4.3.4 The holders of the 'B' Shares shall be entitled to appoint to the Board of the Company one 'B' Director (with the special powers referred to in Article 7 below) and require his removal giving in each case 7 days notice to the holders of the 'A' Shares of such appointment and renewal
- 4.3.5 Any holder of 'A' or 'B' Shares may demand a poll and Regulation 46 of Table A shall be modified accordingly.
- 4.3.6 Any holder of 'A' or 'B' Shares, who is also a Director of the Company (a "Shareholder Director") shall be entitled at any general meeting of the Company called to consider the question of his removal from office as Director to demand in person or by proxy a poll on the resolution proposing his removal from office (which poll shall be taken forthwith) and he shall be entitled to cast in person or by proxy such number of votes against the resolution as is equal to five times the number of votes cast in favour of the resolution.

Provided that the provisions of this Article 4.3.6 shall not apply:-

- 4.3.6.1 if the Shareholder Director is convicted of any fraud or other indictable offence.
- 4.3.6.2 if the Shareholder Director becomes bankrupt or makes any arrangement or composition with his creditors
- 4.3.6.3 if the Shareholder Director is certified by a competent authority as being of unsound mind.
- 4.3.6.4 if any order is made against the Shareholder Director under the Company Directors Disqualification Acts 1986 or any similar order is made under any amendments re-enactment or consolidation of such provisions or any Shareholder Director ceases to be lawfully capable of holding the office of Director of a Company.
- 4.3.6.5 if the Shareholder Director shall be guilty of serious neglect of his duty as a Director of the Company or any of its Subsidiaries and shall so continue in such neglect having received not less than 7 days written notice from any holder of 'A' Shares or 'B' Shares requiring that such neglect cease.

#### 4.4 As Regards Class Rights

- 4.4.1 The special rights attached to any share may be varied, altered or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the class but not otherwise. To every such meeting all the provisions of the Articles relating to general

meetings of the Company shall (mutatis mutandis) apply save that:-

the quorum necessary shall be two persons holding or representing by proxy at least one-third in nominal value of the issued Shares of that class but if at any adjourned meeting a quorum is not present then the numbers present shall be a quorum; and

- 4.4.2 Without prejudice to the generality of Article 4.4.1 above any of the following matters shall be deemed to be a variation of the Special rights attached to the 'A' Shares for so long as the 'A' Shares are in issue and designated as such:-
- 4.4.2.1 any alteration or addition to or reduction of the authorised or issued share capital for the time being of the Company or any issue of options for or obligations of any kind convertible into shares, whether by capitalisation of reserves or otherwise.
- 4.4.2.2 any creation of any further class of share
- 4.4.2.3 any alteration of the Memorandum and Articles of Association of the Company or of any of its subsidiaries and Articles 2 to 12 (inclusive) of the Articles of Association of the Company as amended.
- 4.4.2.4 any alteration of the accounting reference period of the Company.
- 4.4.2.5 any alteration to the Priority Right.

#### TERMINATION OF THE 'A' SHAREHOLDERS PRIORITY RIGHT

- 5.1 Upon the holders of the 'B' Shares giving 14 days notice to the holders of the 'A' Shares ("the Termination Notice") requiring the redesignation of 'A' Shares and 'B' Shares as Ordinary Shares ranking pari passu with each other in all respects, then following the expiration of the aforesaid 14 days period a cash payment shall be paid by the holders of the 'B' Shares to the holders of the 'A' Shares calculated as follows:-

$$X - \frac{Y}{2} = Z$$

X = 400,000

Y = the sum of dividends paid or payable to the "A" shareholders (inclusive of any deductions for ACT) less the sum of dividends paid or payable to the "B" shareholders (inclusive of any deductions for ACT).

Z = total payable to the "A" shareholders.



whereupon following such cash payment both the 'A' shares and 'B' shares shall be redesignated Ordinary Shares of £1 each in the Company ranking therefor pari passu with each other in all respects save in respect of any dividends declared by reference to a record date prior to the redesignation thereof.

- 5.2 Following redesignation of the 'A' Shares and 'B' Shares in accordance with the provisions of Article 5.1 the Company shall distribute to its shareholders by way of dividend not less than one third of its distributable profits in each accounting reference period.

#### TRANSFER OF SHARES

- 6.1 Subject to this Article and so long as there are 'A' Shares and 'B' Shares in issue and designated as such no share or any interest therein in the Company may be transferred save with the unanimous written consent of all the members of the Company and in the absence of such consent the Directors must refuse registration of any instrument of transfer.
- 6.2 The following transfers of shares or interests therein are permitted and on receipt of an instrument of transfer effecting such a permitted transfer the Directors shall register the transfer:-
- any transfer of the 'A' Shares or 'B' Shares for the time being in issue and designated as such to:-
- 6.2.1 a member of the family of such holder of the 'A' Shares or 'B' Shares as the case may be or deceased holder; 'family' being defined as the husband, wife, widow, widower, child and remoter issue (including children by adoption) parent, brother, sister and child and remoter issue of any such brother or sister of any such holder;
- 6.2.2 the transferor and any person within the categories of persons listed in Articles 6.2.1, 6.2.3 and 6.2.4 as joint shareholders;
- 6.2.3 any person or persons acting in the capacity of trustee or trustees of a trust created by such holder (by deed or testamentary disposition) or upon any change of trustee or trustees provided that any such trust is primarily for the benefit of any such holder and/or members of his family and the voting rights conferred by any such shares are not exercisable by or subject to the consent of any person other than the trustee or trustees of the trust or any such holder or member of his family;

- 6.2.4 any person beneficially interested under the trust referred to the Article 6.2.3 being any such holder or a member of his family by the trustee or trustees of such trust;
- 6.2.5 the legal personal representatives of any deceased holder where by will or intestacy the persons beneficially entitled to any such shares (whether immediately or contingently) are members of the family of the deceased such holder and by the legal personal representatives of any deceased such holder's family.
- 6.3 Except in the case of a transfer of shares made pursuant to Article 6.2 (hereinafter called "a permitted transfer") the right to transfer a share or to dispose of a share or any interest in a share in the Company together with all rights attached thereto shall be subject to the following restrictions and provisions, namely:-
- 6.3.1 Any member who wishes to dispose of any of his shares in the Company (of whatever class) ("the transferor") shall first offer those shares to the other members of the Company at a price nominated by the transferor. The transferor shall simultaneously deliver to the registered office of the Company written notice of the proposed disposition of shares and the price of such shares nominated by the transferor ("the transfer notice")
- 6.3.2 The members of the Company (other than the transferor) shall have the right to purchase the shares of the transferor (and if more than one then pro rata between them in proportion to their shareholdings inter se) at the price nominated by the transferor (or such other price as may be agreed between the transferor and other members of the Company) within 30 days of delivery of the transfer notice to the registered office of the Company by the transferor
- 6.3.3 Each Member of the Company who wishes to purchase any of the shares specified in the transfer notice shall simultaneously deliver to the transferor and the registered office of the Company notice ("the purchase notice") specifying the number of shares he wishes to purchase and confirming that payment in full for the said shares will be made in consideration of receipt of executed share transfer forms and share certificates for the said shares no later than 31 days after delivery of the transfer notice in accordance with Article 6.3.1

6.3.4

If at the expiry of 30 days following delivery of the transfer notice the transferor has not received a purchase notice or purchase notices in respect of all of the shares specified in the transfer notice he shall be free to dispose of his shares to any person (whether or not he is a member of the Company) provided that the price payable to the transferor by the transferee for such shares shall not be less than that specified in the transfer notice.

#### DIRECTORS

7.1 Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two nor more than four which number shall include one 'A' Director and one 'B' Director

7.2 The 'A' Director shall be appointed by majority decision of the holders of the 'A' shares and the 'B' Director shall be appointed by majority decision of the holders of the 'B' shares

7.3 No meeting of the Board of Directors shall be quorate unless both an 'A' Director and 'B' Director or their respective alternates are present in person

7.4 Any business to be conducted at such a Board Meeting requiring a decision of the Board may be declared by either the 'A' Director or 'B' Director as Special Business in which event only the votes of the 'A' and 'B' Director or their alternates voting in that capacity alone shall be valid for the purposes of conducting Special Business

8. Any director including an 'A' and 'B' Director may by notice in writing signed by him and deposited at the registered office of the Company appoint an alternate Director to act on his behalf. Such alternate Director must be either a Director of the Company, or a person approved by resolution of all the Directors for the time being of the Company. Every alternate Director shall during the period of his appointment be entitled to notice of Meetings of Directors and in the absence of the Director appointing him to attend and vote thereat as a Director, but his appointment shall immediately cease and determine if and when the Director appointing him ceases to hold offices as a Director. A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing.

9. The Office of a Director shall be vacated if:-

9.1 by notice in writing delivered to the Company at its Registered Office, or tendered at a meeting of the Directors, he resigns the office of Director; or

9.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- 9.3 he is, or may be, suffering from mental disorder and
- 9.3.1 either he is admitted to hospital in pursuance of an 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
- 9.3.2 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; or
- 9.4 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director.

#### MANAGING DIRECTORS AND MANAGERS

10. The Directors may from time to time appoint one or more of their body to the office of Managing Director or Manager for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. His appointment, subject to the payment to him of such compensation or damages as may be payable to him by reason thereof, shall be automatically terminated if he ceased from any cause to be a Director.

11. A Managing Director or Manager shall receive such remuneration (whether by way of salary, commission or participation in profits partly in one way and partly in another) as the Directors may determine.

#### INDEMNITY

12. Subject to the provisions of the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in relation to the affairs of the Company.

#### NOTICE

13. For the purposes of these Articles of Association notices shall be given by a party other than the Company in accordance with the requirements of Regulations 111 to 116 inclusive of Table A (mutatis mutandis).