

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS of NEWSQUEST MEDIA GROUP LIMITED
(the "Company")

At an extraordinary general meeting of the Company held at 200 Aldersgate Street, London, EclA 4JJ on **5** December 1996 the following resolutions were passed as special resolutions.

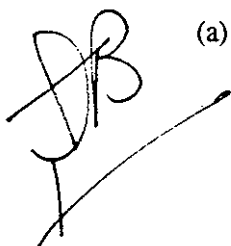
SPECIAL RESOLUTIONS

1. THAT the memorandum of association of the Company be altered by the adoption of a new clause 3 in the form of the annexed draft, initialled by the chairman for the purpose of identification, in substitution for the existing clause 3.
2. THAT new articles of association in the form of the annexed draft, initialled by the chairman for the purpose of identification, be adopted in substitution for the existing articles of association of the Company.
3. THAT the giving by:
 - (a) the Company;
 - (b) Newsquest (London) Limited, Newsquest (Essex) Limited, Newsquest (Lancashire) Limited, Newsquest (Cheshire/Merseyside) Limited, Newsquest (Midlands South) Limited, Newsquest Printing (Worcester) Limited, Newsquest Printing (Lostock) Limited, Newsquest Printing (Colchester) Limited, Newsquest Media (Midland) Limited, Newsquest Media (Northern) Limited, Newsquest Media (Southern) Limited, Essex County Newspapers Limited, Bury Times Limited, Swallowdove Limited, Pythondeck Limited ("Pythondeck") and Oystercove Limited (the "Newsquest Charging Subsidiaries"); and


- (c) PL Publishing, Westminster Press Limited, Westminster Press (Basildon) Limited, Westminster Press (Bath) Limited, Westminster Press (Bradford) Limited, Westminster Press (Brighton) Limited, Westminster Press (Darlington) Limited, Westminster Press (Kendal) Limited, Westminster Press (Oxford) Limited, Westminster Press (Swindon) Limited, Westminster Press (York) Limited, King & Hutchings Limited, John H. Burrows & Sons Limited and The Craven Herald Limited (the "**PLP Charging Companies**"),

of financial assistance as described in the three statutory declarations sworn today by the directors of the Company pursuant to section 155(6) of the Companies Act 1985 (the "Act") be approved.

4. THAT the giving by the PLP Charging Companies of financial assistance for the purpose of the acquisition by Pythondeck of all the issued shares in the capital of PL Publishing pursuant to the sale and purchase agreement (the "**PLP Acquisition Agreement**") dated 5 August 1996 between Pearson plc and the Company to be amended by a deed of novation between Pearson plc, the Company and Pythondeck whereby Pythondeck are to substitute the Company as purchaser under the PLP Acquisition Agreement, be approved.
5. THAT the entry into and performance by the Company of the following documents and all arrangements contemplated by or connected with:



- (a) ~~a letter relating to the subscription of new shares in Newsquest Holdings Limited, the ultimate parent company of the Company ("**Newsquest Holdings**") for £95,576,000 by CINVen Limited and the existing shareholders, including Newsquest Employee Trustees Limited to whom it was proposed that the Company make a loan of £96,000 (the "**ESOP Loan Agreement**");~~
- (b) the issue by the Company's immediate holding company, Newsquest Capital plc ("**Newsquest Capital**") of US\$50 million of Series B Senior Subordinated High Yield Notes (the "**New High Yield Issue**") ranking pari passu with the existing US\$120,000,000 High Yield Notes (the "**Old High Yield Issue**") in respect of which it was proposed that the Company execute a guarantee, a purchase agreement and a registration rights agreement in the form of an indenture between Newsquest Capital as issuer, the Company as guarantor and The Bank of New York as trustee;
- (c) the senior facility agreement (the "**Senior Facility Agreement**") providing a £155 million term loan facility and a US\$100 million term loan facility (divided into a US



dollar and a sterling tranche) and a £50 million revolving credit facility, including certain Ancillary Facilities (as defined in the Senior Facility Agreement), between, *inter alios*, Credit Suisse as Facility Agent and Security Agent ("**Security Agent**") and others as lenders, Newsquest ^{Limited ("Newsquest Holdings")}, the Company as borrower and guarantor and the Newsquest Charging Subsidiaries as guarantors;

- (d) the priority agreement (the "**Priority Agreement**") between, *inter alios*, Newsquest Holdings, the Company and Security Agent to rank the priority of certain creditors of Newsquest Holdings and its subsidiaries;
- (e) any other Finance Documents (as defined in the Senior Facility Agreement);
- (f) the guarantee and debenture (the "**Guarantee and Debenture**") between, *inter alios*, Newsquest Holdings, the Company and Security Agent to guarantee and provide security for the obligations of the Company and the other Obligors (as defined in the Senior Facility Agreement) under the Senior Facility Agreement and certain of the other Finance Documents; and
- (g) the loan agreement (the "**Upstream Loan Agreement**"), between Newsquest Holdings and certain of its subsidiaries (the "**Upstream Lenders**") pursuant to which the Upstream Lenders would make loan facilities available to certain of their parent companies (whether direct or indirect parent companies) in order to assist them to make, *inter alia*, payments of principal, interest or otherwise and meet expenses incurred under or in connection with:
 - (i) the PLP Acquisition Agreement;
 - (ii) the sale and purchase agreement (the "**Reed Acquisition Agreement**") dated 22 November 1995 between Reed Elsevier Overseas BV ("**Reed Elsevier**"), Reed Elsevier plc and Newsquest Capital (which was then named RRN Group Limited);
 - (iii) the high yield issues;
 - (iv) the Senior Facility Agreement and certain of the other Finance Documents;
 - (v) the companies existing inter-company settlement system (and the related banking arrangements); and

(vi) general corporate purposes,

is in the best interests of the Company and that such documents be approved and the directors be authorised to execute such documents, although the execution, delivery and performance of such documents constitutes financial assistance for the purpose of the acquisition by Newsquest Capital of all the issued shares in the capital of the Company.

6. THAT the entry into and performance by the Newsquest Charging Subsidiaries of the following documents and all arrangements contemplated by, or connected with the Senior Facility Agreement, the Priority Agreement, the Guarantee and Debenture and the Upstream Loan Agreement, is in the best interests of each of the Newsquest Charging Subsidiaries and that such documents be approved and the directors of each of the Newsquest Charging Subsidiaries be authorised to execute such documents, although the execution, delivery and performance of such documents constitutes financial assistance for the purpose of the acquisition by Newsquest Capital of all the issued shares in the capital of the Company.
7. THAT the entry into and performance by the PLP Charging Companies of the following documents and all arrangements contemplated by or connected with:
 - (a) an accession agreement in the form of schedule F of the Senior Facility Agreement whereby the PLP Charging Companies would each become a party under the Senior Facility Agreement and the Priority Agreement;
 - (b) a deed of accession in the form of schedule 7 of the Guarantee and Debenture whereby the PLP Charging Companies would each become a guarantor and chargor under the Guarantee and Debenture; and
 - (c) the Upstream Loan Agreement,

is in the best interests of each of the PLP Charging Companies and that such documents be approved and the directors of each of the PLP Charging Companies be authorised to execute such documents, although the execution, delivery and performance of such documents constitutes financial assistance for the purpose of the acquisition by Newsquest Capital of all the issued shares in the capital of the Company and financial assistance for the purpose of the acquisition by Pythondeck of all the issued shares in the capital of PL Publishing.

8. THAT resolutions 1. to 7. shall take effect notwithstanding any provision of the articles of association of the Company.

BY ORDER OF THE BOARD

SECRETARY/DIRECTOR

Company No. 1676637

THE COMPANIES ACTS 1948 TO 1989

CLIFFORD CHANCE

Clifford Chance
1 -

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

of

NEWSQUEST MEDIA GROUP LIMITED

CLIFFORD CHANCE

THE COMPANIES ACTS 1948 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
of
NEWSQUEST MEDIA GROUP LIMITED*

1. The Company's name is "ONE HUNDRED AND SIXTY-FIRST SHELF TRADING COMPANY LIMITED".*
2. The Company's registered office is to be situated in England and Wales.
- 3.** The Company's objects are:
 - (A) (i) To act as an investment holdings company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase exchange or otherwise) the whole or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority and to hold the same as investments, and to sell, exchange, carry and dispose of the same.
 - (ii) To carry on business as printers, publishers and distributors of newspapers, periodicals, magazines and any other publications whatsoever: and as providers of direct marketing services through the distribution of advertising circulars, catalogues.

* The Company was incorporated as ONE HUNDRED AND SIXTY-FIRST SHELF TRADING COMPANY LIMITED on 9 November 1982.

The name of the Company was changed to MEGA NEWSPAPERS LIMITED on 2 February 1983.

The name of the Company was changed to REED REGIONAL NEWSPAPERS LIMITED on 11 January 1988.

The name of the Company was changed to NEWSQUEST MEDIA GROUP LIMITED on 26 January 1996.

** Amended pursuant to a Special Resolution passed on 5 December 1996.

product samples and the like; and as providers of information services through dedicated telephone lines, voice message systems and any other media whatsoever.

- (iii) To carry on business as providers of art printers, cheque printers, colour printers, copper-plate printers, etching printers, lithographic printers, offset printers, photogravure printers, roll-form and automatic printers, sporting printers, trade printers, linotype setters and as printers and publishers generally; and as engravers, photographers, lithographers, artists, designers and draughtsmen.
 - (iv) To carry on business as manufacturers of, and dealers in, paper, cardboard, postcards, picture cards, playing cards, transfers, pens, pencils, ink and stationery generally.
 - (v) To carry on business as manufacturers of, and traders in lithographic plates and art plates made by electrostatic and other processes.
 - (vi) To carry on business as manufacturers of and dealers in machinery for manufacturing lithographic and art plates by electrostatic and other processes.
- (B) To carry on any other trade or business which can in the opinion of the directors be advantageously carried on by the Company in connection with or ancillary to any of the businesses of the Company.
- (C) To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified in clause 3, or which may be required by persons having, or about to have, dealings with the Company.
- (D) To build, construct, maintain, alter, enlarge, pull down, remove and replace any buildings, shops, factories, offices, works, machinery and engines, and to work, manage and control these things.
- (E) To enter into contracts, agreements and arrangements with any person for the carrying out by that person on behalf of the Company of any object for which the Company is formed.
- (F) To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person carrying on any business which may in the opinion of the directors be capable of being conveniently carried on, or calculated directly or indirectly to enhance the value of or make profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (G) To enter into any arrangement with a government or authority, whether national, international, supreme, municipal, local or otherwise, that may in the opinion of the directors be conducive to any object of the Company, and to obtain from that government or authority any right, privilege or concession which in the opinion of the directors is desirable, and to carry out, exercise and comply with that arrangement, right, privilege or concession.

- (H) To apply for, purchase and by other means acquire, protect, prolong and renew any patent, patent right, brevet d'invention, licence, secret process, invention, trade mark, service mark, copyright, registered design, protection, concession and right of the same or similar effect or nature, and to use, turn to account, manufacture under and grant licences and privileges in respect of those things, and to spend money in experimenting with, testing, researching, improving and seeking to improve any of those things.
- (I) To acquire an interest in, amalgamate with and enter into partnership or any arrangement for the sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person, or with any employees of the Company. To lend money to, guarantee the contracts of, and otherwise assist that person or those employees, and to take and otherwise acquire an interest in that person's shares or other securities and to sell, hold, re-issue, with or without guarantee, and otherwise deal with those shares or other securities.
- (J) To lend money to, subsidise and assist any person, to act as agents for the collection, receipt and payment of money and generally to act as agents and brokers for and perform services for any person, and to undertake and perform sub-contracts.
- (K) To enter into any guarantee or contract of indemnity or suretyship, and to provide security, including, without limitation, the guarantee and provision of security for the performance of the obligations of and the payment of any money (including, without limitation, capital, principal, premiums, dividends, interest, commissions, charges, discount and any related costs or expenses whether on shares or other securities) by any person including, without limitation, any body corporate which is for the time being the Company's holding company, the Company's subsidiary, a subsidiary of the Company's holding company or any person which is for the time being a member or otherwise has an interest in the Company or is associated with the Company in any business or venture, with or without the Company receiving any consideration or advantage (whether direct or indirect), and whether by personal covenant or mortgage, charge or lien over all or part of the Company's undertaking, property, assets or uncalled capital (present and future) or by other means. For the purposes of paragraph (K) "guarantee" includes any obligation, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for shares or other securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person.
- (L) To promote, finance and assist any person for the purpose of acquiring all or any of the property, rights and undertaking or assuming the liabilities of the Company, and for any other purpose which may in the opinion of the directors directly or indirectly benefit the Company, and in that connection to place, guarantee the placing of, underwrite, subscribe for, and otherwise acquire all or any part of the shares or other securities of a body corporate.
- (M) To pay out of the funds of the Company all or any expenses which the Company may lawfully pay of or incidental to the formation, registration, promotion and advertising of and raising money for the Company and the issue of its shares or other securities, including, without limitation, those incurred in connection with the advertising and offering of its shares or other securities for sale or subscription, brokerage and commissions for obtaining

applications for and taking, placing, underwriting or procuring the underwriting of its shares or other securities.

- (N) To remunerate any person for services rendered or to be rendered to the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.
- (O) To purchase, take on lease, exchange, hire and otherwise acquire any real or personal property and any right or privilege over or in respect of it.
- (P) To receive money on deposit on any terms the directors think fit.
- (Q) To invest and deal with the Company's money and funds in any way the directors think fit.
- (R) To lend money and give credit with or without security.
- (S) To borrow, raise and secure the payment of money in any way the directors think fit, including, without limitation, by the issue of debentures and other securities, perpetual or otherwise, charged on all or any of the Company's property (present and future) or its uncalled capital, and to purchase, redeem and pay off those securities.
- (T) To remunerate any person for services rendered or to be rendered in placing, assisting and guaranteeing the placing and procuring the underwriting of any share or other security of the Company or of any person in which the Company may be interested or proposes to be interested, or in connection with the conduct of the business of the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.
- (U) To subscribe for, underwrite, purchase, tender for or otherwise acquire, hold, guarantee, sell, dispose of or otherwise deal with (whether as principal or agent):-
 - (i) any shares or other securities or investments of any nature whatsoever (including all types of swaps, options, futures, contracts for differences and other derivative products, whether or not they involve the acquisition or delivery of, or otherwise relate to, shares or other securities or investments), whether negotiable or not;
 - (ii) any rights in respect thereof or interests therein; or
 - (iii) any foreign currenciesand to enter into any contract which constitutes or creates such an investment, or such rights or interests, with or without giving or receiving any security.
- (V) 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.

- (W) To sell, lease, exchange, let on hire and dispose of any real or personal property and the whole or part of the undertaking of the Company, for such consideration as the directors think fit, including, without limitation, for shares, debentures or other securities, whether fully or partly paid up, of any person, whether or not having objects (altogether or in part) similar to those of the Company. To hold any shares, debentures and other securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of, grant options over, turn to account and otherwise deal with all or any part of the property and rights of the Company.
- (X) To adopt any means of publicising and making known the businesses, services and products of the Company as the directors think fit, including, without limitation, advertisement, publication and distribution of notices, circulars, books and periodicals, purchase and exhibition of works of art and interest and granting and making of prizes, rewards and donations.
- (Y) To support, subscribe to and contribute to any charitable or public object and any institution, society and club which may be for the benefit of the Company or persons who are or were directors, officers or employees of the Company, its predecessor in business, any subsidiary of the Company or any person allied to or associated with the Company, or which may be connected with any town or place where the Company carries on business. To subsidise and assist any association of employers or employees and any trade association. To grant pensions, gratuities, annuities and charitable aid and to provide advantages, facilities and services to any person (including any director or former director) who may have been employed by or provided services to the Company, its predecessor in business, any subsidiary of the Company or any person allied to or associated with the Company and to the spouses, children, dependants and relatives of those persons and to make advance provision for the payment of those pensions, gratuities and annuities by establishing or acceding to any trust, scheme or arrangement (whether or not capable of approval by the Commissioners of Inland Revenue under any relevant legislation) the directors think fit, to appoint trustees and to act as trustee of any trust, scheme or arrangement, and to make payments towards insurance for the benefit of those persons and their spouses, children, dependants and relatives.
- (Z) To establish and contribute to any scheme for the purchase or subscription by trustees of shares or other securities of the Company to be held for the benefit of the employees of the Company, any subsidiary of the Company or any person allied to or associated with the Company, to lend money to those employees or to trustees on their behalf to enable them to purchase or subscribe for shares or other securities of the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with employees.
- (AA) To apply for, promote and obtain any Act of Parliament and any order or licence of any government department or authority (including, without limitation, the Department of Trade and Industry) to enable the Company to carry any of its objects into effect, to effect any modification of the Company's constitution and for any other purpose which the directors think fit, and to oppose any proceeding or application which may in the opinion of the directors directly or indirectly prejudice the Company's interests.
- (BB) To establish, grant and take up agencies, and to do all other things the directors may deem conducive to the carrying on of the Company's business as principal or agent, and to

remunerate any person in connection with the establishment or granting of an agency on the terms and conditions the directors think fit.

- (CC) To distribute among the shareholders in specie any of the Company's property and any proceeds of sale or disposal of any of the Company's property and for that purpose to distinguish and separate capital from profits, but no distribution amounting to a reduction of capital may be made without any sanction required by law.
- (DD) To purchase and maintain insurance for the benefit of any person who is or was an officer or employee of the Company, a subsidiary of the Company or a company in which the Company has or had an interest (whether direct or indirect) or who is or was trustee of any retirement benefits scheme or any other trust in which any officer or employee or former officer or employee is or has been interested, indemnifying that person against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.
- (EE) To amalgamate with any other person and to procure the Company to be registered or recognised in any part of the world.
- (FF) Subject to the Act, to give (whether directly or indirectly) any kind of financial assistance (as defined in section 152(1)(a) of the Act) for any purpose specified in section 151(1) or section 151(2) of the Act.
- (GG) To do all or any of the things provided in any paragraph of clause 3:
 - (i) in any part of the world;
 - (ii) as principal, agent, contractor, trustee or otherwise;
 - (iii) by or through trustees, agents, subcontractors or otherwise; and
 - (iv) alone or with another person or persons.
- (HH) To do all things that are in the opinion of the directors incidental or conducive to the attainment of all or any of the Company's objects, or the exercise of all or any of its powers.
- (II) The objects specified in each paragraph of clause 3 shall, except where otherwise provided in that paragraph, be regarded as independent objects, and are not limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company. None of the paragraphs of clause 3 or the objects or powers specified or conferred in or by them is deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph. The Company has as full a power to exercise all or any of the objects and powers provided in each paragraph as if each paragraph contained the objects of a separate company.
- (JJ) In clause 3, a reference to:

- (i) a "person" includes a reference to a body corporate, association or partnership whether domiciled in the United Kingdom or elsewhere and whether incorporated or unincorporated;
 - (ii) the "Act" is, unless the context otherwise requires, a reference to the Companies Act 1985, as modified or re-enacted or both from time to time; and
 - (iii) a "subsidiary" or "holding company" is to be construed in accordance with section 736 of the Act.
4. The liability of the members is limited.
- 5.*** The Company's share capital is £100 divided into 100 ordinary shares of £1 each.

*** By Special Resolution passed on 1 February 1983 the capital of the Company was increased to £452,000 by the creation of 325,000 1% First Cumulative Redeemable Preference Shares of £1 each and 99,000 1% Second cumulative Redeemable Preference Shares of £1 each and 50 of the existing shares were redesignated as "G" Ordinary Shares of £1 each and the other 50 were redesignated as "T" Ordinary Shares of £1 each.

By Special Resolution passed on 21 March 1989 the capital of the Company was increased to £425,100 by the creation of 100 additional Ordinary Shares of £1 each.

By Special Resolution passed on 21 November 1995 the capital of the Company was increased to £425,100 and US\$1,270 by the creation of 1,270 Ordinary shares of US\$1 each and the existing 200 Ordinary Shares were redesignated Deferred Ordinary Shares.

WE, the several persons whose names and addresses 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
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Director,
for and on behalf of
LOVETING LIMITED
registered office:
21 Holborn Viaduct
London EC1A 2DY

One

A company limited by shares

DANIEL MACE

Director,
for and on behalf of
SERJEANTS' INN NOMINEES LIMITED
registered office:
21 Holborn Viaduct
London EC1A 2DY

One

A company limited by shares

J.R.H. KITCHING

Dated the Eleventh day of October 1982

WITNESS to the above Signatures:-

J. LEGRAND
Director,
21 Holborn Viaduct
London EC1A 2DY

Articled Clerk

THE COMPANIES ACTS 1948 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

NEWSQUEST MEDIA GROUP LIMITED*

Incorporated 9 November 1982

Adopted by special resolution passed on 5 December 1996

PRELIMINARY

1. (A) The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("Table A") apply to the Company except to the extent that they are excluded or modified by these articles. No other regulations contained in any statute or subordinate legislation apply as the regulations or articles of association of the Company.
- (B) The regulations of Table A numbered 24, 38, 60, 61, 64, 73, 74, 75, 76, 77, 78, 80, 81, 90, 94, 95, 96, 97, 98, 115 and 118 do not apply. The regulations of Table A numbered 37, 46, 53, 57, 59, 62, 65, 66, 67, 68, 72, 79, 84, 88, 110, 112 and 116 are modified. The regulations of Table A numbered 88, 89, 91 and 93 are excluded if and for so long as there is a sole director of the Company. The regulations of Table A numbered 40 and 54 are modified if and for so long as the

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The name of the Company was changed to MEGA NEWSPAPERS LIMITED on 2 February 1983.

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The name of the Company was changed to NEWSQUEST MEDIA GROUP LIMITED on 26 January 1996.

Company has only one member. Subject to these exclusions and modifications, and in addition to the remaining regulations of Table A, the following are the articles of association of the Company.

- (C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

PRIVATE COMPANY

- 2. The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARE CAPITAL

- 3. (A) The authorised share capital of the Company at the date of the adoption of these articles is £425,100 and US\$1,270 divided into 325,000 1% First Cumulative Redeemable Preference Shares (the "First Preference Shares") of £1 each, 99,900 1% Second Cumulative Preference Shares (the "Second Preference Shares") of £1 each, 200 Deferred Ordinary Shares and 1,270 Ordinary shares of US\$1 each.
- (B) The First Preference Shares and the Second Preference Shares (referred to together in this Article as "Preference Shares") shall rank *pari passu* for dividend and shall confer the right to receive a fixed cumulative preferential dividend at the rate of one per cent per annum on the capital for the time being paid up thereon.
- (C) On a winding up or reduction of capital involving a return of capital to members:-
 - (a) the First Preference Shares shall entitle the holders to repayment of the capital paid up thereon together with (i) a sum equal to any arrears or deficiency of the fixed dividend thereon calculated down to the date of the return of capital and to be payable irrespective of whether such dividend has been declared or earned or not and (ii) the sum of 38.46 pence per share in priority to any payment to the holders of shares of any other class, but so that the First Preference Shares shall not entitle the holders to any further or other participation in the profits or assets of the Company;
 - (b) the Second Preference Shares shall entitle the holders to repayment of the capital paid up thereon, together with a sum equal to any arrears or deficiency of the fixed dividend thereon calculated as aforesaid, subject to the prior payment of all amounts payable to the holders of First Preference Shares but in priority to any payment to the holders of Ordinary Shares, and so that the Second Preference shares shall not entitle the holders to any further or other participation in the profits or assets of the Company.

- (D) The Preference Shares shall be liable to be redeemed at the option of the Company or the holder, and, subject to the provisions of the Statutes, the provisions as to redemption shall be as follows:-
- (a) No Second Preference Share may be redeemed while any First Preference Share remains in issue.
 - (b) The Company is to be at liberty at any time after 31st March, 1988 to redeem all or any of the Preference Shares upon giving to the registered holders of the shares to be redeemed not less than 30 days' previous notice in writing of its intention so to do, fixing a time and place for such redemption.
 - (c) If and so often as the Company shall determine to redeem less than all of a class of Preference Shares for the time being outstanding, those to be redeemed shall, unless the contrary is agreed by all the registered holders thereof, comprise the same proportion of the Preference Shares of that class held by each such holder (joint holders being treated as one).
 - (d) A registered holder is to be at liberty at any time after 31st March, 1985 to require the Company to redeem all or any of the Preference Shares held by him by giving to the Company notice in writing ("a first notice") specifying the number and class of such shares that he wishes to be redeemed. A separate notice must be given in respect of each class of Preference Shares that a holder wishes to be redeemed. Within fourteen days after the receipt of a first notice the Company shall:-
 - (i) give notice in writing to that registered holder of a time (not being earlier than 45 nor later than 90 days after such receipt) and place at which it will redeem the shares so specified; and
 - (ii) give notice in writing to all other registered holders of Preference Shares of the same class that it has received a first notice (naming the person who has given it and the number of shares specified therein) and of the time and place aforesaid.
 - (e) Any registered holder who receives a notice from the Company pursuant to sub-paragraph (d) (ii) of this paragraph and who gives notice in writing in that behalf to the Company within fourteen days after receipt thereof shall be entitled to have redeemed at the time and place aforesaid the same proportion of the Preference Shares of the relevant class held by him as the number of shares specified in the first notice bears to the total number of Preference Shares of that class held by the person who gave it.
 - (f) At the time and place fixed in accordance with the foregoing provisions each registered holder of Preference Shares whose shares have become due for redemption shall be bound to surrender to the Company the certificate of his shares which are to be redeemed in order that the same may be

cancelled, and upon such surrender the Company shall pay to him the amount payable in respect of such redemption.

- (g) There shall be paid on each Preference Share redeemed the amount paid up thereon together with an amount equal to any accrued but unpaid fixed cumulative preferential dividend thereon, to be calculated to and including the date fixed for redemption and to be payable whether or not such dividend has been declared or earned, and in the case of a First Preference Share only a premium of 38.46 pence.
 - (h) As from the date fixed for redemption of any Preference Shares, the fixed cumulative preferential dividend shall cease to accrue on such Preference Shares except on any such Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the money due at such redemption shall be refused.
 - (i) Redemption moneys not claimed on the due date for redemption shall not bear interest against the Company.
- (E) The Preference Shares shall not confer upon the holders thereof any right to receive notice of or attend or vote at general meetings of the Company.

Deferred Ordinary Shares

- 4 (A) **Income and Capital**
- (a) Save as provided in sub-paragraph (b) below, the holders of Deferred Ordinary Shares shall not be entitled to any participation in the profits or the assets of the Company.
 - (b) The holders of Deferred Ordinary Shares shall only be entitled to participate in the assets of the Company after the holders of every other class of shares in the capital of the Company shall have received the sum of £10,000,000 in respect of each share held by them.
- (B) **Voting**
None of the Deferred Ordinary Shares shall carry any right to receive notice or attend and vote at any general meeting of the Company.
- (C) **Repurchase**
Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred Ordinary Shares for an aggregate consideration of £1 which shall be applied for the benefit of the Company.

Share Warrants to Bearer

- 5 (A) Subject to the provisions hereinafter contained the Company may issue Share Warrants ("Warrants") with respect to any Ordinary Shares ("Shares") which are fully paid up or credited as fully paid up upon a request in writing by the person registered as the holder of such Shares. The request shall be in such form and authenticated by such Statutory Declaration or other evidence as to the identity of the person making the same as the Directors shall from time to time require.
- (B) Before the issue of a Warrant, the Certificate (if any) for the Shares intended to be included in it shall be delivered up to the Directors.
- (C) Warrants shall be issued under the seal of the Company or, if the Directors so resolve, in such other manner having the same effect as if issued under the seal of the Company, and shall state that the bearer is entitled to the Shares therein specified.
- (D) The bearer for the time being of a Warrant shall, subject to these Articles, be deemed to be a member of the Company and shall be entitled to the same rights and privileges as he would have had if his name had been included in the Register as the holder of the Shares specified in such a Warrant.
- (E) The Shares included in any Warrant shall be transferred by delivery of the Warrant without any written transfer and without registration, and the provisions in these Articles with respect to the transfer and transmission of and to the lien of the Company on Shares shall not apply to Shares so included.
- (F) No person shall as bearer of a Warrant be entitled to attend or vote or exercise in respect thereof any of the rights of a member at any General Meeting of the Company or sign any requisition for or give notice of intention to submit a resolution to a Meeting, or to sign any written resolution of the Company unless three days at least (or such lesser period as the Directors shall specify) before the day appointed for the Meeting in the first case, and unless before the requisition or notice is left at the registered office, in the second case, or before he signs the written resolution in the third case, he shall have deposited the Warrant in respect of which he claims to act, attend or vote as aforesaid at the registered office for the time being of the Company or such other place as the Directors appoint, together with a statement in writing of his name and address, and unless the Warrant shall remain so deposited until after the Meeting or any adjournment thereof shall have been held or, in the case of a written resolution, the same shall have been signed. Not more than one name shall be received as that of the holder of a Warrant.
- (G) There shall be delivered to the person so depositing a Warrant a Certificate stating his name and address and describing the Shares represented by the Warrant so deposited by him and such Certificate shall entitle him, or his proxy duly appointed, to attend and vote at any General Meeting or to sign any written resolution in the same way as if he were the registered holder of the Shares specified in the

Certificate. Upon delivery up of the said to the Company, the Warrant in respect whereof it shall have been given shall be returned.

- (H) No person as bearer of any Warrant shall be entitled to exercise any of the rights of a member (save as hereinbefore expressly provided in respect of General Meetings) without producing such Warrant and stating his name and address, and (if and when the Directors so require) permitting an endorsement to be made thereon of the fact, date, purpose and consequence of its production.
- (I) The Directors shall provide as from time to time they shall think fit for the issue to the bearers for the time being of Warrants of coupons payable to bearer providing for the payment of the dividends upon and in respect of the Shares represented by the Warrants. Every such coupon shall be distinguished by the number of the Warrant in respect of which it is issued, and by a number showing the place it holds in the series of coupons issued in respect of that Warrant.
- (J) Upon any dividend being declared to be payable upon the Shares specified in any Warrant, the Directors shall give notice to the Members in accordance with these Articles, stating the amount per Share payable, date of payment, and the serial number of the coupon to be presented and thereupon any person presenting and delivering up a coupon of that serial number at the place, or one of the places, stated in the coupon, or in the said notice, shall be entitled to receive at the expiration of such number of days (not exceed 14) after so delivering it up as the Director shall from time to time direct the dividend payable on the Shares specified in the Warrant to which the said coupon shall belong, according to the Notice which shall have been so given.
- (K) The Company shall be entitled to recognise an absolute right in the bearer for the time being of any coupons of which notice has been given as aforesaid for payment to such amount of dividend on the Warrant whereto the said coupon shall belong as shall have been as aforesaid declared payable upon presentation and delivery of the coupon, and the delivery of such coupon shall be a good discharge to the Company accordingly.
- (L) If any Warrant or coupon be worn out or defaced, the Directors may, upon the surrender thereof for cancellation, issue a new one in its stead, and if any Share Warrant or coupon be lost or destroyed, the Directors may, upon the loss or destruction being established to their satisfaction, and upon such indemnity being given to the Company as they shall think adequate, issue a new one in its stead. In case of loss or destruction the bearer to whom such new Warrant or coupon is issued shall also bear and pay to the Company all expenses incidental to the investigation by the Company of evidence of such loss or destruction and to such indemnity.
- (M) If the bearer of any Warrant shall surrender it together with all coupons belonging thereto for cancellation and shall lodge therewith at the registered office for the time being of the Company a Declaration in writing, signed by him, in such form and authenticated in such manner as the Directors shall from time to time direct.

requesting to be registered as a member in respect of the Shares specified in such Warrant, and stating in such Declaration his name and address, he shall be entitled to have his name entered as a registered member of the Company in respect of the Shares specified in the Warrant so surrendered, but the Company shall not be responsible for any loss incurred by any person by reason of the Company entering in the Register upon the surrender of a Warrant the name of any person not the true and lawful owner of the Warrant surrendered.

- (N) A Notice may be given by the Company to the holder of a Warrant to the address supplied by him by notice in writing to the Company from time to time for the giving of notice to him. Any notice to the Company supplying a new address for the giving of notices by the Company shall be accompanied by the Warrant which shall be cancelled and a new Warrant shall be issued having endorsed thereon the address to which future notices by the Company to the holder of the Warrant may be given.
- (O) The Directors may from time to time require any holder of a Warrant who gives, or has given, an address at which notices may be served on him, to produce his Warrant and to satisfy them that he is, or is still, the holder of the Warrant in respect of which he gives or gave the address.
- (P) Any Notice required to be given by the Company to the Members, or any of them, and not expressly provided for by these Articles, or any Notice which cannot be served in the manner so provided, shall be sufficiently given by advertising the same once in the London Gazette.

6. (A) Unless otherwise determined by Special Resolution of the Company:-

- (i) Any equity securities (as defined in Section 94 of the Companies Act 1985) hereafter to be issued shall before issue be offered for subscription in the first instance to such persons as at the date of the offer are registered as the respective holders of the Ordinary Shares in the capital of the Company and shall be allotted (in the case of competition) to the applicants in proportion (as nearly as may be and without allotting to any applicant a greater number of shares than applied for) to the number of Ordinary Shares then held by them respectively.
- (ii) Any such offer as aforesaid shall be made by notice in writing specifying the number or amount of equity securities being offered, the price at which the same are offered ("the offer price") and any other terms of the offer and shall remain open for such period (being not less than 21 days) as shall be specified in such notice. Any such offer not accepted within the period specified will be deemed to be declined.
- (iii) Subject as aforesaid, the Directors may at any time up to three months after the expiration of such offer dispose of any equity securities not taken up pursuant thereto at such price (not being less than the offer price), on such terms (not being less favourable to the Company than the terms of the

relevant offer specified in paragraph (ii) above) and in such manner and to such persons as the Directors may think.

7. (A) Subject to the provisions of the Act, the directors have general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such times and on such terms and conditions as the directors may decide but no share may be issued at a discount.
 - (B) The directors have general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities for a period expiring on the fifth anniversary of the date of adoption of this article unless previously renewed, varied or revoked by the Company in general meeting.
 - (C) The maximum amount of relevant securities which may be allotted pursuant to the authority conferred by paragraph (B) is the amount of the authorised but as yet unissued share capital of the Company at the date of adoption of this article.
 - (D) By the authority conferred by paragraph (B), the directors may before the authority expires make an offer or agreement which would or might require relevant securities of the Company to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement.
8. The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act do not apply to any allotment of the Company's equity securities.

TRANSFERS

9. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is a fully-paid share or a share on which the Company has a lien provided that the directors shall have no such discretion to refuse to register a transfer of shares where the proposed transferee is a mortgagee or chargee (or a trustee of a mortgagee or chargee) of the shares in question or a purchaser, transferee or other recipient of such shares from such mortgagee or chargee (or a trustee for such mortgagee or chargee).

GENERAL MEETINGS

10. Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days".

NOTICE OF GENERAL MEETINGS

11. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution must be called by at least 21 clear days' notice.

All other extraordinary general meetings must be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting or a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote at that meeting; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

The notice must specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, must specify that the meeting is an annual general meeting.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice must be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

PROCEEDINGS AT GENERAL MEETINGS

- 12. A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.
- 13. Regulation 53 of Table A is modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly."

VOTES OF MEMBERS

- 14. Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase ", unless the directors otherwise determine."
- 15. Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it."
- 16. An instrument appointing a proxy must be in writing in any usual form or in any other form which the directors may approve and must be executed by or on behalf of the appointor.
- 17. Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "at any time" in place of "not less than 48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "not less than 24 hours".

NUMBER OF DIRECTORS

18. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to any maximum and the minimum number is one.

ALTERNATE DIRECTORS

19. A director may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director. That person need not be approved by resolution of the directors, and regulation 65 is modified accordingly.
20. An alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A is modified accordingly.
21. Regulation 68 of Table A is modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or another place designated for the purpose by the directors."

DELEGATION OF DIRECTORS' POWERS

22. Regulation 72 is modified by the addition at the end of the regulation of the following sentence: "Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision must be construed as permitting the exercise of the power, authority or discretion by the committee."

APPOINTMENT AND REMOVAL OF DIRECTORS

23. The directors are not subject to retirement by rotation. Regulations 73, 74 and 75 of Table A do not apply, and reference in regulations 67 and 84 to retirement by rotation must be disregarded.
24. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
25. A person appointed by the directors to fill a vacancy or as an additional director is not required to retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted.
26. The holder or holders of more than half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may remove a director from office and appoint a person to be a director, but only if the appointment does not cause the number of directors to exceed a number fixed by or in accordance with the articles as the maximum number of directors. The removal or appointment is effected by notice to the Company signed by or on behalf of the holder or holders. The notice may consist of several documents in similar form each signed by or on behalf of one or more holders and shall be left at or sent by post or facsimile transmission to the office or such other place designated

by the directors for the purpose. The removal or appointment takes effect immediately on deposit of the notice in accordance with the articles or on such later date (if any) specified in the notice.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

27. The office of a director is vacated if:
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or
 - (d) he resigns his office by notice to the Company; or
 - (e) he is for more than six consecutive months absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the directors resolve that his office be vacated; or
 - (f) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or
 - (g) he is removed from office by notice given by a member or members under article 26.

REMUNERATION OF DIRECTORS

28. A director who, at the request of the directors, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the directors may decide.

PROCEEDINGS OF DIRECTORS

29. Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "Every director must receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively."
30. A director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and

speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of directors is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

31. If and for so long as there is a sole director of the Company:
- (a) he may exercise all the powers conferred on the directors by the articles by any means permitted by the articles or the Act;
 - (b) for the purpose of regulation 89 of Table A the quorum for the transaction of business is one; and
 - (c) all other provisions of the articles apply with any necessary modification (unless the provision expressly provides otherwise).
32. Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in respect of which he has, directly or indirectly, an interest or duty. The director must be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote must be counted.

DIVIDENDS

33. The directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.

RECORD DATES

34. Subject to the provisions of the Act and the rights attached to shares, the Company or the directors may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

CAPITALISATION OF PROFITS

35. The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly-paid shares rank for dividend, so long as those shares remain partly paid, only to the extent that those partly-paid shares rank for dividend and regulation 110 of Table A is modified accordingly.

NOTICES

36. Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: "A member whose registered address is not within the United Kingdom is entitled to have notices given to him at that address."
37. A notice sent to a member (or another person entitled to receive notices under the articles) by post to an address within the United Kingdom is deemed to be given:
- (a) 24 hours after posting, if pre-paid as first class, or
 - (b) 48 hours after posting, if pre-paid as second class.

A notice sent to a member (or other person entitled to receive notices under the articles) by post to an address outside the United Kingdom is deemed to be given 72 hours after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.

38. Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".

INDEMNITY

39. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, each person who is a director, alternate director or secretary of the Company must be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred:
- (a) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
 - (b) in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
40. The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was:
- (a) a director, alternate director, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or

- (b) trustee of a retirement benefits scheme or other trust in which a person referred to in the preceding paragraph is or has been interested.

indemnifying him against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company.

SOLE MEMBER

41. If and for so long as the Company has only one member:

- (a) in relation to a general meeting, the sole member or a proxy for that member or (if the member is a corporation) a duly authorised representative of that member is a quorum and regulation 40 of Table A is modified accordingly;
- (b) a proxy for the sole member may vote on a show of hands and regulation 54 of Table A is modified accordingly;
- (c) the sole member may agree that any general meeting, other than a meeting called for the passing of an elective resolution, be called by shorter notice than that provided for by the articles; and
- (d) all other provisions of the articles apply with any necessary modification (unless the provision expressly provides otherwise).