

No. 1913440

THE COMPANIES ACTS 1985 and 1989

PUBLIC LIMITED COMPANY

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF

JEM SMOKE PLC
(Incorporating amendments up to 31.10.1997)

Incorporated the 14th May 1985



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THE COMPANIES ACTS 1985 and 1989

PUBLIC LIMITED COMPANY

MEMORANDUM OF ASSOCIATION
(as amended by Special Resolutions passed on 31.10.1997)

OF

JEM SMOKE PLC

1. The name of the Company is "JEM SMOKE PLC".*
2. The Company is to be a Public Limited Company.
3. The Registered Office of the Company will be situated in England and Wales.
4. The objects for which the Company is established are:
 - ** (A) (1) To design, manufacture, assemble, buy, sell, import, export, distribute, instal, service or otherwise deal in mechanical, electrical and electronic products and systems of every description, and articles, devices, appliances, materials, substances, formulae or things useful therewith or in relation thereto; to act as managers, consultants, specialists, advisers, contractors, operators and agents in or for the installation, maintenance, testing, upkeep, repair, cleaning, renovation, refurbishment, reconstruction, erection, dismantling, demolition and disposal of machinery, plant, systems, equipment, structures, buildings, works, fittings and vehicles of every description; and to carry on business as merchants, wholesalers, retailers, suppliers, distributors, stockists and agents for any goods, wares and merchandise useful in or in connection with the business of the Company and as shippers, carriers, forwarding agents and transport contractors.
 - (2) 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 4.(A)(1) hereof or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

* Name changed from "JEM Smoke Machine Company Limited" to "JEM Smoke Plc" by Special Resolution passed on 31.10.1997.

** Clauses 4 (A)(1) and (2) were adopted by Special Resolution passed on 31.10.1997.

- (3) To carry on the business of banking, insuring, underwriting, negotiating loans and lending money (with or without security) for any purpose and in connection with any kind of agreement or arrangement or transaction whatsoever, administering trust and pension funds, debt collecting and acting as bailiffs and dealers in any kind of securities, commodities, metals or foreign exchange whether on a recognised exchange or otherwise.
- (4) To undertake and execute agency or commission work of all kinds and to act generally as agents, brokers, organisers, factors, consultants and advisers for and in connection with financing, insurance, sale or purchase of goods, investments or any kind of property and the provisions of services, travel, transport and carriage, building and engineering management, public relations and publicity, conferences, exhibitions, admission to and organisation of theatrical and sporting events and the provision of housing and other accommodation.
- (5) To carry on the business of supplying personnel to perform every kind of service or duty to businesses of every kind and for domestic purposes and to provide services to commerce and industry whether secretarial and clerical, computer or accountancy services, market research and information, storage, security, cleaning, repair and maintenance or any other service which may be required.
- (6) To carry on the business of buying and selling, developing and improving land and buildings for investment purposes or otherwise and to charge and grant rights and interests of any kind in or over such land or buildings or any part thereof.
- (7) To carry on the business of designing, erecting, constructing, altering, restoring, repairing, extending and executing any work in connection with any buildings and structures of whatsoever description and any part thereof including any installation for the purposes of heating, lighting or providing water, gas, electricity or other services to the building or any other purpose and to carry on the business of market and landscape gardeners, estate and land agents, auctioneers and valuers in connection with any land, building or chattels whatsoever and to breed and race or show any bloodstock, livestock or domestic animals.
- (8) To carry on the business of providing transport and carriage of passengers and goods of every description whether in the United Kingdom or elsewhere by land, rail, sea and air and or acting as haulage contractors, lighterment, stevedores, wharfingers, car men, carting contractors, cargo superintendents, packers, hauliers and warehousemen.
- (9) To carry on business in the entertainment and leisure industry as producers, managers, broadcasters, promoters, directors, casting agents, distributors, promoters and publishers, in respect of any kind of film, videogram, television or radio programme, sporting event, theatrical or musical production, commercial, book, magazine, periodical, record, cassette, photograph and to act as organisers and to provide services in connection with

any sporting, theatrical, musical or other public event or performance and to act as agents and promoters of any performer or personality and to manage any cinema, theatre, dance hall or other place of entertainment or amusement.

- (10) To carry on the business of advertisers and promoters of every kind of product, printers using processes of every description, lithographers, engravers, graphic artists, writers, illustrators, and artists working in any medium whatsoever and to undertake the marketing and distribution of all or any products or works produced in the course of any of the said businesses.
 - (11) To carry on the business of hoteliers, innkeepers, licensed victuallers, restaurateurs and retail or wholesale suppliers of food products, meals and drinks (alcoholic and non-alcoholic) for consumption on any premises whether owned by the Company or otherwise and elsewhere and to provide over-night accommodation to any person for any consideration in premises owned or leased by the Company.
 - (12) To carry on the business of beauticians, hair-dressers, fashion consultants and of health club, clinic and gymnasium proprietors and managers, cosmetic surgeons and every other business concerned or connected with the improvement of the health and appearance of the human body and its adornment and to carry on business as funeral directors and undertakers.
 - (13) To carry on the business of providing education and training to any person of whatsoever age and description in any subject, art or skill whatsoever and to provide career counselling.
 - (14) To carry on any other business or trade which in the opinion of the Directors of the Company may be conveniently carried on in connection with or as ancillary to any of the above businesses or be calculated directly or indirectly to enhance the value of or render profitable any of the Company's activities or to further any of its objects.
- (B) To borrow or raise money with or without security including the issue of debentures or debenture stock and mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital, and also by any similar mortgage, charge or lien to secure and guarantee the performance of the Company or any other person, firm or company of any obligation undertaken by the Company or any other person, firm or company as the case may be and upon all such other terms as the directors may consider expedient.
- (C) To purchase or otherwise acquire and otherwise deal with any shares, stocks, debentures, debenture stock, bonds or securities of any other company or corporation carrying on business in any part of the world or to hold the same, and to purchase shares in the Company in accordance with the provisions of the Companies Act 1981 and any legislation, rule or order amending or extending the same.

- (D) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any interest whatsoever any movable or immovable property, real or personal, whether tangible or intangible and wheresoever situate, which the directors may think necessary or convenient for the purposes of the Company's business and to sell, lease, hire, grant, rights in or over, improve, manage or develop all or any part of such property or otherwise deal with the same.
- (E) To build, construct, maintain, alter, enlarge, pull down, repair, remove or replace any buildings, works, plant and machinery necessary or convenient for the business of the Company and to join with any person, firm, or company in doing any of the things aforesaid.
- (F) To apply for and take out, purchase or otherwise acquire and to hold any patents, licences, copyrights and the like conferring an exclusive or non-exclusive or limited right of user, or any secret or other information as to any invention which may seem to the Company directly or indirectly to benefit the Company, and to use, assign or otherwise deal with the same, grant licences in respect of the same or otherwise turn to account any rights or information so acquired.
- (G) To issue, place, underwrite or guarantee the subscription of, or concur or assist in the issuing or placing, underwriting or guaranteeing the subscription of shares, debenture stock, bonds, stocks and securities of any company or corporation wheresoever and howsoever incorporated at such times and upon such terms and conditions as to remuneration and otherwise as may be agreed.
- (H) To establish, exchange, lease, or dispose of or otherwise deal with the whole or any part of the assets or undertaking of the Company for such consideration as may be considered expedient and in particular the shares, stock or securities of any other company.
- (I) To enter into partnership or into any arrangement for sharing profits or to amalgamate with any person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on or any business or transaction which the directors consider capable of being conducted so as directly or indirectly to benefit the Company.
- (J) To acquire or undertake the whole or any part of the business, property, assets, liabilities and transactions of any person, firm, or company carrying on or proposing to carry on any business which the Company is authorised to carry on, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (K) To lend money or give credit with or without security on such terms as the directors may decide and to receive money on deposit or loan from and give guarantees or act as surety for any person, firms or companies.
- (L) To invest and deal with the monies of the Company not immediately required for the purposes of its business in or upon such investments and securities and in such manner as may from time to time be considered expedient.

- (M) To remunerate any employee or other person, firm or company rendering services to the Company whether by cash payment or otherwise or by the allotment of shares, debentures, or other securities of the Company credited as paid up in full or in part or in any other manner whatsoever, and to pay all or any of the formation and promotion expenses of the Company and of any company formed or promoted by the Company or associated with it, and to pay for any rights interest or other property, real or personal acquired by the Company by any means or in any manner whatsoever.
- (N) To establish, support or aid whether financially or otherwise in the establishment and support of associations, institutions, clubs, funds, trusts, and schemes calculated to benefit the directors, ex-directors, officers, ex-officers, employees or ex-employees of the Company or the families, dependants or connections of such persons, and to grant pensions, gratuities and allowances to and to make payments towards insurance for the benefit of such persons as aforesaid, their families, dependants or connections and to subscribe or contribute to any charitable, benevolent or useful object of a public character.
- (O) To take stock or shares in, or the debentures, mortgage debentures or other securities of any other company or any other property services, rights or interests in payment or part payment for any services rendered or for any sale made to or debt owing from any such company and to hold or otherwise to deal in any manner with any such property rights or interests.
- (P) To sell, exchange, lease, dispose of or otherwise deal with the whole or any part of the assets or undertaking of the Company for such consideration as may be considered expedient and in particular the shares, stock or securities of any other Company.
- (Q) To draw, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, scrip, warrants and other transferable or negotiable instruments.
- (R) To distribute among the members in specie (subject to the provisions of sections 263-281 of the Companies Act 1985 and any legislation, rule or order extending or amending the same) any property of the Company, or any proceeds of sale or disposal of any property of the Company and for such purpose to distinguish and separate capital from profits, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (S) To do all or any of the above things in any part of the world either alone or in conjunction with others and either as principals, agents, contractors, trustees or otherwise and either by or through agents, subcontractors, trustees or otherwise.
- (T) 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 declared that the foregoing sub-clauses shall be construed independently of each other 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.

5. The liability of the members is limited.
6. The share capital of the Company is £250,000* divided into 250,000 shares of £1 each. The Company has power to increase the share capital and to divide the shares (whether original or increased) into several classes and attach thereto any preferred, deferred, or other special rights, privileges or conditions as regards dividends, repayment of capital, voting or otherwise.

* Note: The capital was increased from £10,000 to £250,000 by Ordinary Resolution passed on 31.10.97.

THE COMPANIES ACTS 1985 and 1989

PUBLIC LIMITED COMPANY

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on 31.10.1997)

OF

JEM SMOKE PLC

1. The regulations contained in Table A in Statutory Instrument Number 805 of 1985, as amended prior to the adoption of these Articles, (such Table being herein referred to as "Table A") shall apply to the Company except in so far as they are excluded or varied hereby and with these Articles shall constitute the Articles of Association of the Company.
2. References in these Articles to "the 1985 Act" shall mean the Companies Act 1985 and references to "the 1989 Act" shall mean the Companies Act 1989. References in these Articles to numbered Regulations shall, unless the context otherwise requires, be deemed to be references to Regulations in Table A. Regulations 41, 101 and 118 shall not apply to the Company.
3. The Directors are generally and unconditionally authorised for the purposes of section 80 of the 1985 Act at any time or times during the period of five years after the date of adoption of these Articles to allot or otherwise dispose of relevant securities (as defined in the said section 80) up to the amount of the share capital of the Company for the time being to such persons, on such terms and conditions, and either at a premium or at par and at such times as the Directors think fit, and with full power to give to any person the call of any share at a premium or at par during such times and for such consideration as the Directors think fit, and to grant to any person subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any relevant securities (as defined) an option to require the Company to allot to him or his nominees any further relevant securities in the Company at not less than par.
4. Subject to the provisions of Part V Chapter VII of the 1985 Act the Company may:
 - 4.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder;
 - 4.2 purchase its own shares (including any redeemable shares);
 - 4.3 make a payment in respect of the redemption or purchase, under sections 159 to 160 inclusive or (as the case may be) section 162 of the 1985 Act, of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by sections 170 to 172 inclusive of the 1985 Act.

5. The lien conferred by Regulation 8 shall extend to fully paid 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 several joint holders.
6. In regulation 23, the words "and, unless the share is fully paid, by or on behalf of the transferee" shall be deleted.
7. The following shall apply to the Company in place of regulation 41:

"If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting if convened upon the requisition of members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and such other time or place as the directors may determine, and if at the adjourned meeting a quorum is not present or ceases to be present, then the member or members present shall be a quorum".
8. The sentence "Signatures in the case of a body corporate which is a member shall be sufficient if made by a duly authorised representative or a director thereof on its behalf." shall be deemed to have been added at the end of Regulation 53.
9. Every notice convening a General Meeting of the Company shall comply with the provisions of Section 372(3) of the 1985 Act and shall give information to Members in respect of their right to appoint proxies.
10. A Member or Members holding a majority in nominal amount of the issued Ordinary Shares for the time being of the Company shall have power from time to time and at any time to appoint any person or persons as a Director or to fill any vacancy and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the Member or Members making the same, or in the case of a Member being a company signed by one of its directors or other authorised person on its behalf, and shall take effect upon lodgment at the registered office of the Company.
11. A Director who is in any way directly or indirectly interested in any contract or arrangement or proposed contract or arrangement with the Company shall declare that interest and its nature at a meeting of the Directors in accordance with section 317 of the 1985 Act. Subject to such disclosure, the Director (or if the situation so requires his alternate) shall be entitled to vote in respect of any such contract or arrangement and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. Regulations 94 to 98 (inclusive) shall not apply to the Company.
12. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in

any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

13. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
14. Any meeting of the Directors may be held by means of simultaneous audio or audio visual 'conference' links and all those Directors so participating may be taken into account for the purpose of establishing whether a quorum exists for the 'meeting'.
- 15.1 The Directors may from time to time by resolution appoint any person (not being a Director) to be an Associate, Special or Local Director of the Company on such terms as they shall in their absolute discretion think fit, and may, at the like discretion, terminate any such appointment.
- 15.2 A person so appointed shall not be or be deemed to be a Director of the Company within the meaning of that word as used in the Act, or for the purposes of any other statute or statutory instrument. The expressions 'Directors' and 'the Directors' in these Articles shall not include 'Associate Director' or 'Associate Directors' or 'Special Director' or 'Special Directors' or 'Local Director' or 'Local Directors'.
- 15.3 Without prejudice to the generality of the foregoing:
 - 15.3.1 An Associate, Special or Local Director shall not have any powers or be subject to any of the duties of a Director save insofar as specific powers or duties may have been vested in, delegated to or imposed upon him by the Directors.
 - 15.3.2 Any Associate, Special or Local Director shall not have access to the books of the Company nor be entitled to receive notice of or attend or vote at meetings of the Directors or of any committee of the Directors. The Directors may invite an Associate, Special or Local Director to attend a meeting or meetings of the Directors or of any committee of the Directors and may at any time withdraw such invitation. An Associate, Special or Local Director attending any such meeting by invitation of the Directors shall not be counted in reckoning whether a quorum is present.
 - 15.3.3 The remuneration of the Associate, Special or Local Directors shall be such as shall from time to time be determined by the Directors.
- 15.4. The appointment of a person to be an Associate, Special or Local Director may be in place of or in addition to his employment by the Company in any other capacity but unless otherwise expressly agreed between him and the Company the appointment as Associate, Special or Local Director shall not affect the terms and conditions of his employment by the Company in any other capacity whether as regards duties, remuneration, pension or otherwise.
- 15.5 An appointment as Associate, Special or Local Director shall forthwith terminate if the Associate, Special or Local Director:

- 15.5.1 resigns by writing under his hand left at the registered office; or
 - 15.5.2 be found or becomes of unsound mind or becomes bankrupt or compounds with his creditors; or
 - 15.5.3 becomes for the time being prohibited from being concerned or taking part in the management of the Company due to a disqualification order made against him pursuant to the provisions of the Company Directors Disqualification Act 1986; or
 - 15.5.4 be removed by a resolution of the Directors; or
 - 15.5.5 being an employee of the Company ceases to be such an employee.
- 16. If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Clause 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Clause 101 of Table A shall not apply to the Company.
 - 17. The Company may, in addition to its common seal, have made an official seal for use in any territory or place not situate in the United Kingdom, which official seal shall be a facsimile of the common seal of the Company with the addition on its face of the name of every territory, district or place where it is to be used.
 - 18. A notice may be given by the Company to any Member either personally or by sending it by first class prepaid post to his registered address, whether or not in the United Kingdom, and Regulations 111 to 116 shall be modified accordingly. The words "to all persons entitled to a share in consequence of the death or bankruptcy of a Member and to the directors and auditors" in the last sentence of Regulation 38 shall not apply to the Company.
 - 19. Every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the 1985 Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the 1985 Act.
 - 20. The Directors shall have the power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act from and after the bringing into force of Section 137 of the 1989 Act.