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THE COMPANIES ACT 1985  
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
of  
MONARCH RECOVERIES LIMITED

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PRELIMINARY

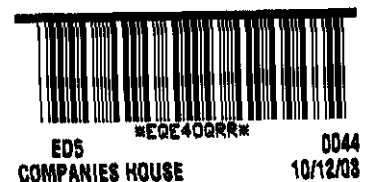
- 1.01 The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter called Table A), shall apply to the Company so far as the same are not excluded or varied hereby.
- 1.02 In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

INTERPRETATION

2. References in Table A and in these Articles to "these regulations" shall be construed as references to the regulations of the Company for the time being in force, whether contained in Table A or in these Articles.

SHARE CAPITAL

- 3.01 Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to Article



3.04) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

3.02 All shares which are not comprised in the authorised share capital with which the Company is incorporated and which are proposed to be issued shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this Article 3.02 shall have effect subject to Section 80 of the Act.

3.03 In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

3.04 The Directors are generally and unconditionally authorised, for the

purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution.

#### **LIEN**

4. The lien conferred by regulation 8 of Table A shall attach also to fully paid shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing 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, for all moneys presently payable by him or his estate to the Company. Regulation 8 of Table A shall be modified accordingly.

#### **TRANSFER OF SHARES**

5. Notwithstanding anything contained in these articles, the directors shall not decline to register any transfer of shares, nor may they suspend registration of any shares where such transfer is executed by any person to whom such shares have been charged by way of security, or by any nominee of any such person, pursuant to a power of sale under such security, and a certificate by any such person or any employee of any such person that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.

#### **MEMBERS' RESOLUTIONS**

6. Subject to the provisions of the Act, a resolution in writing

signed by all the members of the Company who at the date of such resolution were entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effectual as if it had been passed at a General Meeting of the Company duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of the members. Each signature may be given personally or by a duly appointed attorney or in the case of a body corporate by an officer or by its duly authorised representative. Regulation 53 of Table A shall not apply.

### MEETINGS

7.01 An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by at least twenty-one clear days' notice. All other Extraordinary General Meetings shall be called by at least fourteen 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, by all the members entitled to attend and vote thereat; 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 a majority together holding not less than ninety five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the Meeting and, in the case of special business, the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the Meeting as such.

Subject to the provisions of these Articles and any restrictions imposed upon any shares, the notice shall 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. Regulation 38 of Table A shall not apply.

- 7.02 All business shall be deemed special that is transacted at any Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.
- 7.03 Regulation 40 of Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence.
- 7.04 If a quorum is not present within half an hour from the time appointed for a General Meeting the Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved. Regulation 41 of Table A shall not apply.
- 7.05 Regulation 44 of Table A shall not apply.
- 7.06 At any General Meeting a poll may be demanded by the Chairman or by any member entitled to vote present in person or by proxy and regulation 46 of Table A shall be modified accordingly.
- 7.07 If at any General Meeting any votes shall be counted which ought not to have been counted or which might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting, and not in that case unless it shall, in the opinion of the chairman of the Meeting, be of sufficient magnitude to vitiate the result of the voting. Regulation 58 of Table A shall not apply.

## **PROXIES**

8. An instrument appointing a proxy may be in any usual or common form or in any other form which the Directors may approve. Regulations 60 and 61 of Table A shall not apply.

## **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

9. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

## **DIRECTORS**

- 10.01 Unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall not be subject to any maximum and need not exceed one. If and so long as there is a sole Director, he may exercise all the powers, authorities and discretions vested in the Directors by these Articles or Table A. Regulation 64 of Table shall not apply.
- 10.02 The directors shall be entitled to such remuneration as the Company may from time to time in General Meeting determine and such remuneration shall be divided amongst the Directors as they shall agree or failing agreement equally. Such remuneration shall be deemed to accrue from day to day. Regulation 82 of Table A shall not apply.

## **BORROWING POWERS**

11. The Directors may exercise all the powers of the Company to borrow or

raise money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over 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.

#### ALTERNATE DIRECTORS

- 12.01 Regulations 65 to 69 (inclusive) of Table A shall not apply.
- 12.02 Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by the Directors, as his alternate and may at any time revoke any such appointment.
- 12.03 An alternate Director shall (subject to his giving to the Company an address for service within the United Kingdom) be entitled to notice of meetings of Directors, to attend and vote as a Director at any meeting at which his appointor is not personally present, and generally, in the absence of his appointor, to exercise all the functions of his appointor as a Director.
- 12.04 An alternate Director shall be deemed for all purposes to be an officer of the Company and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor.
- 12.05 The appointor of an alternate Director may direct the payment to the alternate Director of part or all of the remuneration which would otherwise be payable to the appointor. Except as so directed, an alternate Director shall not be entitled to any remuneration from the Company for acting in that capacity.
- 12.06 An alternate Director shall cease to be an alternate Director if for any reason his appointment is revoked or his appointor ceases to be

a Director.

12.07 All appointments and revocations of appointments of alternate Directors shall be in writing under hand of the appointor left at the Company's registered office.

12.08 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

13.01 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.

13.02 The Directors shall not be required to retire by rotation and accordingly regulations 73, 74, 75, 76, 77, 78, 80 and the last two sentences of regulation 79 of Table A shall not apply.

13.03 The office of any Director shall be vacated if the Director

- (a) 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) becomes bankrupt; or
- (c) becomes a patient within the meaning of the Mental Health Act 1959; or
- (d) resigns his office by written notice to the Company; or
- (e) has for more than six consecutive months been absent from the meetings of the Directors held during that period without permission of the Directors, whether or not an alternate has attended in his place and the Directors resolve that his office be vacated.



Regulation 81 of Table A shall not apply.

#### PROCEEDINGS OF DIRECTORS

- 14.01 A Director who is in any way either directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act. Subject to such disclosure, a Director shall be entitled to vote at any meeting of the Directors, or of any committee of the Directors, on any resolution or in respect of any contract or arrangement or proposed contract or arrangement notwithstanding that it in any way relates to or concerns a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall so vote his vote shall be counted and (whether or not he shall so vote) he shall be counted in reckoning whether a quorum is present. Regulations 94 to 97 (inclusive) of Table A shall not apply.
- 14.02 Subject to the provisions of Article 10.01, the quorum necessary for the transaction of business by the Directors may be fixed by the Directors and until so fixed shall be two. In the absence of his appointor, an alternate Director present at a meeting of Directors may be counted in reckoning whether a quorum is present. Regulation 89 of Table A shall not apply.
- 14.03 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of Directors shall be as valid and effectual as if it had been passed at a duly convened meeting of Directors. Any such resolution may consist of several documents in like form each signed by one or more of the Directors.

The signature of an alternate Director shall be as effectual as the signature of his appointor. Regulation 93 of Table A shall not apply.

#### NOTICE

15.01 The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company. Regulation 112 of Table A shall not apply.

15.02 Where notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting an envelope containing the notice and to have been effected at the expiration of 24 hours after the envelope containing it was posted. Regulation 115 of Table A shall not apply.

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NAMES AND ADDRESSES OF SUBSCRIBERS

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ROBERT HARRY STREET

Brook House

70 Spring Gardens

Manchester M2 2BQ

TERENCE FLANAGAN

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70 Spring Gardens

Manchester M2 2BQ

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DATED the

day of

19

Witness to the above signatures:-

CHARLES ADRIAN LEE

Brook House

70 Spring Gardens

Manchester M2 2BQ