

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION

OF

CBS RECORDS INTERNATIONAL LIMITED  
(FORMERLY KNAPPS NO. 37 LIMITED)

COMPANY NUMBER: 2019657

INCORPORATED THE 14TH DAY OF MAY 1986

Knapp-Fishers  
103 Cannon Street  
London EC4





CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME

No. 2019657

I hereby certify that

KNAPPS NO. 37 LIMITED

having by special resolution changed its name, is now  
incorporated under the name of

CBS RECORDS INTERNATIONAL LIMITED

Given under my hand at the Companies Registration Office,  
Cardiff the

18TH JUNE 1986

*M. Moss.*  
MRS. M. MOSS

an authorised officer



CERTIFICATE OF INCORPORATION  
OF A PRIVATE LIMITED COMPANY

No. 2019657

I hereby certify that

KNAPPS NO. 37 LIMITED

is on this day incorporated under the Companies Act 1985 as a  
private company and that the Company is limited.

Given under my hand at the Companies Registration Office,

Cardiff

14TH MAY 1986

*C. R. Williams*  
MRS. C. R. WILLIAMS

an authorised officer

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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AMENDED  
MEMORANDUM OF ASSOCIATION

- of -

CBS RECORDS INTERNATIONAL LIMITED

1. The name of the Company is "CBS RECORDS INTERNATIONAL LIMITED"\*.
2. The registered office of the Company will be situate in England.
3. The objects for which the Company is established are:

(A)\*\* (i) To carry on the business of providing technical, management, consultancy, financial or other services in connection with and otherwise advising on the management, marketing, production, manufacture, export, import, licensing, copyrighting and financing of any trade or business engaged in the recording, manufacture, sale, exploitation, export and distribution of records and recording media of all kinds in whatsoever form and of whatsoever material and intended or adopted for use with whatsoever means of reproduction or transmission, and of gramophones, wireless transmission and receiving apparatus and appliances, machines and devices of every kind for or in connection with the recording, reproduction, amplification or transmission of sounds or pictures, writing or other visual matter;

(ii) to carry on business of providing recording services of every kind for sound or vision.

(B) To carry on any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business 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,

\* Name changed to present designation pursuant to a Special Resolution passed on 14th May 1986.

\*\* New Clause 3(A) substituted pursuant to Special Resolution passed on 3rd July 1986.

articles and things for the purpose of any of the businesses specified herein, or likely to be required by customers or other persons having, or about to have, dealings with the Company.

- (D) To build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, shops, factories, offices, works, machinery, engines and to clear sites for the same or to join with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or join with others in so doing.
- (E) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects 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 or company carrying on any business which the Company is authorised to carry on or possess, or which may seem to the Company capable of being conveniently carried on or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (G) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (H) To apply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, registered designs, protections and concessions, which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting and testing and making researches, and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (I) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, or otherwise with any company, or with any employees of the Company, including in such case if thought fit the conferring of a participation in the management or its directorate, or with any company carrying on or engaged in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to give to any company special rights or privileges in connection with or control over the Company, and in particular the right to nominate one or more Directors of the Company. And to lend money to, guarantee the contracts of, or otherwise assist any such company, and to take or otherwise acquire shares or securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.

- (J) To subsidise, and assist any persons or companies and to act as agents for the collection, receipt or payment of money and generally to act as agents for and render services to customers and others.
- (K) Either with or without the Company receiving any consideration or advantage, direct or indirect, from giving any such guarantee, to guarantee by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital or by both such methods or by any other means whatsoever the performance of the obligations and the payment of any moneys (including but not limited to capital or principal, premiums, dividends or interest, commissions, charges, discount and any costs or expenses relating thereto whether on any stocks, shares or securities or in any other manner whatsoever) by any company, firm or person including but not limited to any company which is for the time being the Company's holding company as defined by Section 736 of the Companies Act, 1985 or a subsidiary of the Company or of the Company's holding company as so defined, or any company, firm or person who is for the time being a member or otherwise has any interest in the Company or is associated with the Company in any business or venture, or any other person firm or company whatsoever.
- (L) To promote any company for the purpose of acquiring all or any of the property and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- (M) To pay out of the funds of the Company all expenses which the Company may lawfully pay of or incident to the formation, registration and advertising of or raising money for the Company, and the issue of its capital, or for contributing to or assisting any company either issuing or purchasing with a view to issue all or any part of the Company's capital in connection with the advertising or offering the same for sale or subscription, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or debenture stock.
- (N) To remunerate any person, firm or company rendering service to the Company whether by cash payment or by the allotment to him or them of shares or securities of the Company credited as fully paid up in full or in part or otherwise.
- (O) Generally to purchase, take on lease or exchange, hire, or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (P) To receive money on deposit upon such terms as the Company may approve.
- (Q) To invest and deal with the moneys of the Company in such manner as may from time to time be determined.
- (R) To lend money with or without security, but not to carry on the business of a registered money lender.

- (S) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future), including its uncalled capital, and to purchase, redeem or pay off any such securities.
- (T) To remunerate any company for services rendered or to be rendered, placing, or assisting to place, or guaranteeing the placing or procuring the underwriting of any of the shares or debentures, or other securities of the Company or of any company in which the Company may be interested or propose to be interested, or in or about the conduct of the business of the Company, whether by cash payment or by the allotment of shares, or securities of the Company credited as paid up in full or in part, or otherwise.
- (U) To subscribe for either absolutely or conditionally or otherwise to acquire and hold shares, stock, debentures, debenture stock or other obligations of any other company having objects altogether or in part similar to those of the Company.
- (V) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (W) To sell, lease, exchange, let on hire, or dispose of any real or personal property or the undertaking of the Company, or any part or parts thereof, for such consideration as the Company may think fit, and, in particular, for shares whether fully or partly paid up, debentures or securities of any other company, whether or not having objects altogether, or in part, similar to those of the Company, and to hold and retain any shares, debentures or securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of or turn to account or otherwise deal with all or any part of the property or rights of the Company.
- (X) To adopt such means of making known the products of the Company as may seem expedient, and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (Y) To support or subscribe to any charitable or public object and any institution, society or club which may be for the benefit of the Company or its Directors, officers or employees, or the Directors, officers and employees of its predecessors in business, or of any subsidiary, allied or associated company, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any person (including any Directors or former Directors) who may have served the Company or its predecessors in business, or any subsidiary allied or associated company or to the wives, children or other relatives or dependants of such persons; to make payments towards insurance and to form and contribute to provident and benefit funds for the benefit of any Directors or officers of or persons employed by the Company, or of or by its predecessors in business, or of or by any subsidiary, allied or associated company, and to subsidise or

assist any association of employers or employees, or any trade association.

- (2) To obtain any Provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purposes which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (A:) To establish, grant and take up agencies in any part of the world, and to do all such other things as the Company may deem conducive to the carrying on of the Company's business, either as principals, or agents, and to remunerate any persons in connection with the establishment or granting of such agencies upon such terms and conditions as the Company may think fit.
- (BB) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others, and to procure the Company to be registered or recognised in any foreign country or place.
- (CC) To distribute any of the property of the Company in specie among the shareholders.
- (DD) To amalgamate with any other company having objects altogether or in part similar to those of the Company.
- (EE) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them.

And it is hereby declared that the word "company" in this Clause shall be deemed to include any person or partnership or other body of persons whether domiciled in the United Kingdom or elsewhere, and words denoting the singular number only shall include the plural number and vice versa, and so that the objects specified in each paragraph of this Clause shall, except where otherwise expressed in such paragraph, be regarded as independent objects, and in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the Members is limited.
5. The Share Capital of the Company is \*£10,000 divided into 10,000 ordinary shares of one pound (£1) each.

On 3rd June 1986, the capital of the Company was increased from £100 to £10,000, by the creation of a further 9900 Ordinary Shares of £1 each.



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 (In Words)
James Douglas Holder, 82 Elm Grove Road, London SW13.  Solicitor	one
Juliet Claire Hampton, 347 Crystal Palace Road, London SE22.  Solicitor	one

DATED this 8th day of April 1986

WITNESS to the above Signatures:-

C.A. Pullam  
60 Wilmot Road  
London E10

Secretary

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

CBS RECORDS INTERNATIONAL LIMITED\*

PRELIMINARY

1. (A) In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 and "the Act" means the Companies Act 1985.

(B) The regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The regulations in Table A numbered 24, 56, 73, 74, 75, 76, 77, 78, 80, 81(e) and 87 shall not apply, but, subject as aforesaid, and in addition to the remaining regulations in Table A the following shall be the Articles of Association of the Company.

SHARE CAPITAL

2. The share capital of the Company at the date of adoption of these Articles is \*\*£10,000 divided into 10,000 ordinary shares of one pound each.

3. After the initial allotment any shares 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 the same manner and limited by a

\* Name changed to present designation pursuant to Special Resolution passed on 14th May 1986.

\*\* On 3rd June 1986, the capital of the Company was increased from £100 to £10,000, by the creation of a further 9900 Ordinary Shares of £1 each.

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 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.

4. Subject to Article 3, the Directors are unconditionally authorised, for the purposes of Section 80 of the Act, to allot shares up to the amount of the share capital created on incorporation of the Company at any time or times during the period of five years from the date of incorporation. In accordance with Section 91(1) of the Act, Section 89(1) and Section 90(1) to (6) of the Act shall be excluded from applying to the Company.

#### LIEN

5. The lien conferred by regulation 8 of Table A shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders.

#### TRANSFER OF SHARES

6. (A) No share shall be transferred to any person save in accordance with the provisions of this Article.

(B) A Member or other person (hereinafter called "the Vendor") proposing to transfer shares shall give a notice in writing (hereinafter called "a transfer notice") to the Company that he desires to transfer the same, and shall at the same time deposit with the Company the share certificate in respect of such shares. Such transfer notice may specify the price at which the Vendor proposes to sell the said shares and subject to the right of revocation hereinafter conferred upon the Vendor shall constitute the Company his agent for the sale of the whole (but not a part) of the shares comprised therein to any Member or Members of the Company at whichever shall be the lower of the price (if any) so specified or the fair value to be fixed by the Auditors of the Company for the time being in accordance with this Article (such lower price or value being hereinafter referred to as "the sale price"). No transfer notice may comprise shares of more than one class.

(C) The Company shall forthwith after the receipt of a transfer notice instruct the Auditors to certify in writing the sum which in their opinion is the fair value of the shares, and such sum shall be deemed to be the fair value, and in so certifying the Auditors shall be considered to be acting as experts and not as arbitrators and accordingly the Arbitration Act 1950 shall not apply.

(D) Forthwith after the fair value shall have been certified by the Auditors as aforesaid the Company shall give notice in writing to the Vendor of the sum so certified and within a period of seven days after service of such notice the Vendor may by further notice in writing to the Company revoke the transfer notice as to the whole of the shares comprised therein and thereupon the share certificate in respect of the shares shall be returned to him. After the expiration of such period of seven days a transfer notice shall not be revocable except with the sanction of the Directors.

(E) Not earlier than eight days after the Company shall have given notice to the Vendor of the sum certified as the fair value of the shares the Directors shall (unless the Vendor shall have revoked the transfer notice within the period specified in paragraph (D) hereof) give notice of the receipt of the transfer notice to all Members (other than the Vendor) and shall invite applications from such Members to purchase the shares comprised therein or any of them at the sale price or proportionate price according to the number of shares applied for. If more than one Member shall apply to purchase the shares comprised in a transfer notice, they shall be allocated by the Directors first to the applicants in proportion (as nearly as may be) to the numbers of shares of the same class as those comprised on the transfer notice already held by each such applicant and secondly (if any of the said shares shall remain after such applicants have been satisfied in full) to and amongst the remaining applicants in proportion (as nearly as may be) to the number of shares of a different class to those comprised in the transfer notice. Each Member shall be deemed to have applied for the number of shares allocated to him but so that no Member shall be bound to accept a greater number of shares than the number for which he shall have applied.

(F) If the Company shall within the period of three calendar months after the service of a transfer notice find a Member, or Members willing to purchase the whole of the shares comprised therein and shall give notice thereof to the Vendor he shall be bound upon payment of the sale price to transfer the shares to such Member or Members.

(G) If in any case the Vendor, after having become bound as aforesaid, makes default in transferring any of the said shares, the Company may receive the purchase money and thereupon the Directors shall nominate some person to execute a transfer of the shares in the name and on behalf of the Vendor, and shall cause the purchasing Member's name to be entered in the register as the holder of the shares, and the Company shall hold the purchase money in trust for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to the purchasing Member, and after his name has been entered in the register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

(H) If the Company shall not within such period of three calendar months as aforesaid find a Member or Members willing to purchase the whole of the said shares and shall not give notice in manner aforesaid the Vendor shall at any time within three calendar months after the expiration of such period be at liberty, subject as hereinafter provided to sell and transfer the shares or any part thereof to any person and at any price, not being less than the sale price such minimum price in the case of a sale of a part of the shares being calculated rateably according to the number of shares sold. If the Vendor shall sell and transfer any shares to a person under the provisions of this paragraph the Directors may before registering a transfer of such shares

to such person require the Vendor and the purchaser of such shares to furnish them with such information supported if the Directors so require by such statutory declaration as they may consider necessary in order to be satisfied that the price paid for such shares was not less than the sale price and that the transfer was not part of a larger transaction or one of a series of transactions under which compensatory benefit was given by or on behalf of the Vendor.

(I) If any person shall be entitled to any shares by reason of the death or bankruptcy of any member, he shall be bound forthwith to give to the Company a transfer notice as provided in paragraph (B) hereof as if he were a Member, and if he shall fail to give such transfer notice, the Company may, as his Agent, give the same for him. Upon receipt by the Company of a transfer notice under this paragraph, paragraphs (C), (D), (E), (F), (G) and (H) hereof shall apply as in the case of a transfer notice voluntarily given (save that there shall be no right of revocation as provided in paragraph (D) hereof) and regulations 30 and 31 of Table A shall be read subject to this paragraph.

(J) With the consent in writing of all the Members for the time being the provisions of this Article may be waived in whole or in part in any particular case.

(K) The Directors may in their absolute and uncontrolled discretion and without assigning any reason therefor decline to register any transfer except that it shall be obligatory to register any transfer of a fully paid share if it be a transfer made to a Member in accordance with paragraphs (B), (C), (D), (E), (F) and (G) or (J) hereof unless the Company has a lien thereon.

#### PROCEEDINGS AT GENERAL MEETINGS

7. Regulation 41 in Table A shall be read and construed as if the words "and if at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting the Meeting shall be dissolved" were added at the end.

8. It shall not be necessary to give any notice of an adjourned meeting and regulation 45 of Table A shall be construed accordingly.

9. A poll may be demanded by any Member present in person or by proxy and regulation 46 of Table A shall be modified accordingly.

10. In regulation 53 of Table A "writing" shall be deemed to include telex, telegrams, cables and other methods of reproducing or communicating writing in visible form.

#### VOTES OF MEMBERS

11. A Member for whom a receiver, curator bonis or other person in the nature of a receiver or curator bonis has been appointed by a Court in England and Wales or Scotland having jurisdiction in that behalf on the ground that the Member is incapable by reason of mental disorder of managing and administering his property and affairs may vote, whether on a show of hands or on a poll, by

the person so appointed and that person may appoint a proxy to vote on a poll on behalf of the Member.

#### ALTERNATE DIRECTORS

12. The words "but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director" shall be deleted from Regulation 66 of Table A. The remuneration of any alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.

#### POWERS OF DIRECTORS

13. The Company may exercise the powers conferred by Section 39 of the Act for having an official seal for use abroad, and the directors may exercise such powers.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

14. The Directors shall not be required to retire by rotation and regulation 79 of Table A shall be modified accordingly.

15. A Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment and the penultimate and last sentences of regulation 79 of Table A shall be deleted.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

16. Paragraph (c) of regulation 81 of Table A shall be deleted and the words "in the opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director" be substituted therefor.

#### DIRECTORS' EXPENSES

17. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.

#### DIRECTORS' APPOINTMENTS & INTERESTS

18. The last sentence of Regulation 84 of Table A shall be deleted and replaced by the following words "A director holding any executive office for a fixed period shall not be entitled or obliged to resign as a director of the Company and regulation 81(d) shall be modified accordingly."

## PROCEEDINGS OF DIRECTORS

19. The third sentence of regulation 88 of Table A shall not apply to the Company. Notice of every meeting of Directors shall be given to each Director of the Company or his alternate Director, including Directors and alternate Directors who may for the time being have given addresses or be resident outside the United Kingdom.

20. In Regulation 93 of Table A "writing" shall be deemed to include telex, telegrams, cables and other methods of reproducing or communicating writing in visible form.

## NOTICES

21. Notice of every General Meeting shall be given to every Member at his registered address, whether or not such address is within the United Kingdom, and regulation 112 of Table A shall be modified accordingly and the words "within the United Kingdom" appearing in regulation 116 of Table A shall be deleted. Where notice to Members outside the United Kingdom is sent by post it shall be sent by pre-paid air mail post and if so sent deemed to be effected at the expiration of seventy-two hours after the letter containing the same is posted and regulation 115 of Table A shall be modified accordingly.

NAMES, ADDRESSES AND DESCRIPTION

JAMES DOUGLAS HOLDER,  
82 Elm Grove Road,  
London SW13.

Solicitor

JULIET CLAIRE HAMPTON,  
347 Crystal Palace Road,  
London SE22.

Solicitor

Dated the 8th day of April 1986

WITNESS to the above signatures:

C.A. Pullam  
60 Wilmot Road  
London E10