

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

LUTON INTERNATIONAL AIRPORT LIMITED

ADOPTION OF TABLE A

1. In these articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended by any other subordinate legislation coming into operation prior to the date of incorporation of the company.
2. The regulations contained in Table A shall, except where they are excluded or modified by these articles, apply to the company and, together with these articles, shall constitute the articles of the company.
3. No regulations scheduled to any statute concerning companies shall apply to the company.

INTERPRETATION

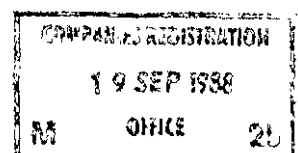
4. References in Table A and in these articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form.
5. Save as provided in the last preceding article, words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these articles.

SHARE CAPITAL

6. The share capital of the company is £60,000,000 divided into 60,000,000 Ordinary Shares of £1 each.

UNISSUED SHARES

7. Otherwise than with the written consent of all the members of the Company the directors may not issue, grant any right to require the issue of, offer, allot, grant options over or otherwise dispose of, any shares of any class in the capital of the company unless such shares, or rights to require the issue of, or options over, such shares shall first have been offered to holders of shares of the same class as those to be issued or in respect of which rights to require the issue of, or options over, are granted, pro rata and in proportion to their existing holdings of such shares. For the purposes of this article, the word "shares" shall include options in respect of, or



rights to require the issue of, shares. Such offer shall be made by notice specifying the number of shares offered, and limiting the time (not being less than two months nor more than three months) within which the offer, if not accepted, will be deemed to be declined, and, at the same time as such offer is made, such holders shall be notified that any of them desiring an allocation of shares in excess of the proportion to which they are entitled, determined as aforesaid, may notify the company in their acceptance of the offer, of how many excess shares they desire to have. Upon the expiration of the aforesaid period of time, the directors shall allocate the shares proposed to be issued to those members who have notified the company of their wish to accept such shares in the numbers respectively applied for by them, and in the event of competition in proportion (as nearly as may be and without increasing the number allotted to any member beyond the number applied for by him/her) to their holdings of shares of that class in the company immediately before the offer was made. Subject as aforesaid, any unissued shares in the capital of the company, (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as they may determine.

8. Section 89(1) of the Act shall not apply to the allotment by the company of any equity security.

TRANSFER OF SHARES

9. The directors may, in their absolute discretion and without giving any reason for so doing, decline to register any transfer of any share, whether or not it is a fully paid share. Regulation 24 of Table A shall be modified accordingly.

PURCHASE OF OWN SHARES

10. Subject to the provisions of the Act, the company may enter into any contract for the purchase of all or any of its shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares and may make payments in respect of the redemption or purchase of such shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares. Every contract entered into pursuant to this article shall be authorised by such resolution of the company as may for the time being be required by law but subject thereto the directors shall have full power to determine or approve the terms of any such contract. Neither the company nor the directors shall be required to select the shares in question rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Subject to the provisions of the Act, the company may agree to the variation of any contract entered into pursuant to this article and to the release of any of its rights or obligations under any such contract. Notwithstanding anything to the contrary contained in the articles, the rights attaching to any class of shares shall not be deemed to be

varied by anything done by the company pursuant to this article. Regulation 35 of Table A shall not apply.

GENERAL MEETINGS

11. Directors whose number represents not less than 1/4 of the number of all the directors in office at the relevant time (from time to time) may call a general meeting and the directors, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than four weeks after receipt of the requisition. Regulation 37 of Table A shall not apply.

NOTICE OF GENERAL MEETINGS

12. Notice of any general meeting need not be given to the directors in their capacity as such. Regulation 38 of Table A shall be modified accordingly.

PROCEEDINGS AT GENERAL MEETINGS

13. No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the nomination, election or choice of a chairman which shall not be treated for this purpose as part of the business of the meeting. Two members present in person or by proxy or by authorised representative and entitled to vote shall be a quorum for all purposes. If a quorum is not present within fifteen minutes (or such longer time, not exceeding half an hour, as the chairman of the meeting may decide to wait) after the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such day and at such time and place as the chairman of the meeting may determine and at such adjourned meeting one member present in person or by proxy or by authorised representative (whatever the number of shares held by him) shall be a quorum. It shall not be necessary to give notice of any meeting adjourned through want of a quorum. Regulations 40 and 41 of Table A shall not apply.

In these Articles the expression "authorised representative" means a representative appointed in manner provided by Section 375 of the Act by a body corporate which is a member of the Company or a person authorised in writing to act on behalf of a body corporate which is a member of the company by a director or secretary or other proper officer of that body corporate.

14. On a show of hands every member present in person or by proxy or by authorised representative shall have one vote and on a poll every member present in person or by proxy or by authorised representative shall have one vote for each share of which he is the holder.

15. A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy or by authorised representative. Regulation 46 of Table A shall be modified accordingly.

16. Regulation 54 shall be modified by the insertion of the words "or by proxy" after the word "person" in the third line thereof.

VOTES OF MEMBERS

17. (A) An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve and may confer a discretion on the proxy to act as it thinks fit or may instruct a proxy how to act and shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Regulations 60 and 61 of Table A shall not apply.

(B) In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, or by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

ALTERNATE DIRECTORS

18. No director may appoint an alternate director. Regulations 65 to 69 inclusive of Table A shall not apply.

POWERS OF DIRECTORS

19. The directors may by power of attorney or otherwise, appoint any person to be the agent of the company upon such terms (including terms as to remuneration) as they may think fit and may delegate to any person so appointed any of the powers vested in or exercisable by them including power to sub-delegate. The directors may remove any person appointed under this article and may revoke or vary such delegation but no person dealing in good faith and without notice of any such revocation or variation shall be affected by it. Regulation 71 of Table A shall not apply.

20. The company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

DELEGATION OF DIRECTORS' POWERS

The directors may delegate any of their powers, authorities and discretions to committees consisting of such person or persons (whether directors or not) as they think fit. Regulation 72 of Table A shall be modified accordingly.

NUMBER, APPOINTMENT AND REMOVAL OF DIRECTORS

22. Unless and until otherwise determined by special resolution of the company, the directors shall be not less than three in number. Regulation 64 shall not apply.

23. Any member holding, or any members holding in aggregate, a majority in nominal value of such of the issued share capital for the time being of the company as carries the right of attending and voting at general meetings of the company by memorandum in writing signed by or on behalf of him or them and delivered to the office or tendered at a meeting of the directors or at a general meeting of the company may at any time and from time to time appoint any person to be a director either to fill a vacancy or as an additional director or remove any director from office howsoever appointed.

24. The directors shall not be required to hold qualification shares.

25. No director may be appointed or removed otherwise than pursuant to these articles or regulation 81 of Table A save as provided by law.

26. No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his/her having attained any particular age.

A director who is neither an employee of the Company or a Member of a Principal Council which is a shareholder of the Company shall vacate the Office of Director on a date coinciding with that Council's elections, held every four years, but a Director who is so required to vacate the Office of Director, may, if willing to act, be reappointed.

27. Regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply. The words "and Regulation 72 of Table A as modified by these Articles" shall be inserted after the word "Acts" in the first line of Regulation 84 of Table A.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

28. The office of a director shall be vacated not only upon the happening of any of the events mentioned in regulation 81 of Table A but also if (a) he is a member of a principal council which is a shareholder of the company and he ceases to be a member of a principal council which is a shareholder of the company and in the case of such cessation arising as a result of an election of a member or members to such principal council the office of such director shall be vacated automatically upon the declaration of the result of the election in which he is not re-elected a member of such principal council or (b) he is removed from office pursuant to these articles.

DIRECTORS' GRATUITIES AND PENSIONS

29. The directors may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or with a predecessor in business of the company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the company or the members for

any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company. Regulation 87 of Table A shall not apply.

30. The directors may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

PROCEEDINGS OF DIRECTORS

31. Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit. Meetings of the directors shall be held as often as may be required and at least once in every period of three calendar months. A director absent or intending to be absent from the United Kingdom may request the directors during his/her absence to send notices of meetings of the directors or of a committee of the directors to him/her at such address within the United Kingdom as he/she may give to the company for this purpose but in the absence of such a request it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Any notice of a meeting of the directors or of any committee of the directors shall contain a detailed agenda of the matters to be dealt with at the meeting and be accompanied by all supporting papers and shall be sent to each director at least three clear days prior to the meeting. Copies of all notices of directors' meetings, accompanied by copies of all supporting papers, shall be sent to all the members of the company at the same time as they are sent to the directors. No matter which has not appeared on the agenda shall be dealt with at the meeting without the consent of a majority of the directors or of the members of the committee (as the case may be). Upon a matter of urgency a meeting may be called upon short notice and it shall be a valid meeting if a quorum be present and it be unanimously agreed that the matters raised are of sufficient urgency to justify the notice given. Directors whose number represents not less than 1/4 of the number of all the directors in office at the relevant time (from time to time) may, by giving not less than twenty-four hours written notice to the secretary, containing details of the matters to be discussed at such board meeting, accompanied by any documents required by such directors to be circulated to the other directors, require the secretary to convene a meeting of the directors. Regulation 88 of Table A shall not apply.

32. Questions arising at any meeting of the directors or at any committee of the directors shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote.

33. The following paragraphs (e) and (f) shall be added to Regulation 94 of Table A after paragraph (d):-

- (e) his interest arises by virtue of any office or employment held by him with any principal council (as defined in section 12 of the Airports Act 1936) which is a shareholder of the company.

- (f) the resolution relates to any contract or arrangement or proposed contract or arrangement involving any principal council (defined as aforesaid) which is a shareholder of the Company.

A director shall be counted in the quorum at a meeting in relation to any resolution on which he is not, by virtue of Regulation 94 of Table A as amended by article 33, entitled to vote. Regulation 95 of Table A shall not apply.

RESTRICTIONS ON POWERS OF DIRECTORS

34. (A) The directors shall exercise all their powers of management and all voting and other rights and powers of control exercisable by the company in relation to any subsidiaries, so as to procure that otherwise than to give effect to or pursuant to the Transfer Scheme approved by the Secretary of State in exercise of his powers under the Airports Act 1986 whereunder the Company acquired the undertaking, property and assets of Luton International Airport on 1st April, 1987 from the Council of the Borough of Luton:-

- (i) the company shall not, and no subsidiary shall without the previous sanction of a special resolution of the company:-
 - (aa) whether in one transaction or a number of transactions (whether related or not) transfer or dispose of the whole or any part of its undertaking or (except in the ordinary course of trading) of its assets;
 - (bb) acquire the whole or any part of any undertaking or acquire or dispose of any shares in the capital of any company other than shares in any company which are listed or dealt in on any recognised Stock Exchange by way of bona fide investment only provided that such shares do not represent more than 5 per cent. of the voting equity share capital of such company or form any company as a subsidiary of the company;
 - (cc) acquire any asset from or dispose of any asset to, provide any service for or receive any service from or vary any contract or arrangement with any shareholder or any person connected (within the meaning of section 533 of the Income and Corporation Taxes Act 1970) with any such holder, but so that this sub-paragraph (cc) shall not apply to contracts of employment or to any agreement to which Section 24 of the Airports Act 1986 applies or to any other transactions in the ordinary course of business conducted on an arms length basis;
 - (dd) enter into any contract, arrangement or commitment involving expenditure on capital account if the amount or the aggregate amount of such expenditure by the company under such contract, arrangement or commitment would exceed £500,000 or, when taken together with the amount of expenditure on capital account involved in all contracts, arrangements or commitments entered into

during the then current accounting reference period of the Company would exceed fl,500,000;

- (ee) create or permit to subsist any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation or other security interest or agreement of any kind over the whole or any part of its undertaking, property or assets (including, without limitation, revenues), present or future, other than those which may arise in the ordinary course of trading and other than those in existence in respect of any assets on the date on which the same is acquired by the company;
 - (ff) make any material change in the nature of the business carried on by the company or the manner in which it is carried on and for the purposes of this paragraph, changes in nature shall encompass changes in size, scale and scope.
 - (ii) the aggregate principal amount from time to time and for the time being outstanding of moneys borrowed (whether secured or unsecured), together with the principal amounts secured by any mortgage or charge, debentures or other securities, shall not exceed an amount equal to twice the Adjusted Capital and Reserves as defined in paragraph (B) of this article 34.
- (B) For the purposes of paragraph (A)(ii) of this article 34:-
- (i) "the Adjusted Capital and Reserves" means the aggregate from time to time of:-
 - (a) the amounts paid up or credited as paid up on the issued share capital of the company;
 - (b) the amounts standing to the credit of all capital and revenue reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) and any deferred credits in respect of H.M. Government grants not already included in any of the aforesaid reserves to the extent that they are not contingently repayable, all as shown by the then latest audited balance sheet but after deducting therefrom any amounts attributable to intangible assets including goodwill and the amount of any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, or amounts standing to the credit of all capital and revenue reserves since the date of such audited balance sheet or which would result from any transaction for the purpose of which the adjusted capital and reserves is being calculated contemporaneously therewith and such

other adjustments as the auditors consider appropriate;
and

- (c) the amount of any and all loans made to the company by any member claims to repayment of which would be postponed to the claims of all other creditors (other than subordinated creditors) of the company in the event of a winding-up of the company;
- (ii) "borrowings" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:-
- (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys the beneficial interest in which is not for the time being owned by a member of the Group of any body whether corporate or unincorporated and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group;
 - (b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
 - (c) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group;
 - (d) the principal amount of any share capital (not being equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary owned otherwise than by a member of the Group; and
 - (e) any premium payable on repayment of any borrowing or deemed borrowing;
 - (f) any amount which is, or, if the requirements of any relevant Statement of Standard Accounting Practice were complied with, would be recorded as a liability in respect of any finance lease;
- but shall not be deemed to include:-
- (g) borrowings for the purposes of repaying the whole or any part of the borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and
 - (h) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department

of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

- (iii) when the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the middle market rate of exchange prevailing at the close of business on such date in London;
- (iv) "audited balance sheet" shall mean the audited historic cost balance sheet of the company prepared for the purposes of the Act unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Act) and in the latter event "audited balance sheet" shall mean such audited historic cost consolidated balance sheet of the company and its subsidiaries, references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amount attributable to outside interests in subsidiaries;
- (v) the company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Act: if the company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall, provided it is based on the historic cost convention, be taken as the audited balance sheet for the purposes of this article; and
- (vi) "the Group" means the company and its subsidiaries;
- (vii) a certificate or report by the auditors for the time being of the company as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit set by paragraph (A)(ii) of this article 34 (as amended from time to time) has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this article; and
- (viii) notwithstanding the foregoing no lender or other person dealing with the company shall be concerned to see or inquire whether the restriction or limit set by paragraphs (A)(i)(ee) or (A)(ii) of this article 34 (as amended from time to time) are observed and no borrowing incurred or

security given in excess of or in contravention of any such limit or restriction shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit or restriction concerned had been or was thereby exceeded or contravened.

(C) Regulation 70 of Table A shall be construed in accordance with the foregoing provisions of this article.

DIVIDENDS

35. (A) No later than ten months after the end of each financial year, the company, unless it shall have determined by a special resolution to the contrary, shall distribute by way of dividend, to the members of the company entitled thereto, all of the company's profits available for the purpose, as determined in accordance with the provisions of Part VIII of the Act to the extent only that the auditors for the time being of the company shall have certified that the directors of the company would be in a position to make the statutory declaration of solvency described in section 89 of The Insolvency Act 1985 immediately thereafter.

(B) Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(C) Payment of a dividend or bonus may be made, as the company by special resolution in general meeting may direct, wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors. Regulations 102, 104 and 105 of Table A shall not apply.

NOTICES

36. Any notice or other document may be served on or delivered to any member by the company either personally or by sending it by post in a prepaid envelope or wrapper addressed to the member at his registered address, or by leaving it at that address addressed to the member, or

by telex or facsimile transmission to any number notified by the member or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery or the telex or facsimile transmission of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery or transmission to all the joint holders. Regulation 112 of Table A shall be modified accordingly.

37. Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so left. Any notice or other document sent by telex or facsimile transmission shall be deemed to be served, in the case of telex, when acknowledged by the answerback code of the recipient and in the case of facsimile transmission, when acknowledged by the recipient by telephone. Regulation 115 of Table A shall not apply.

38. Any notice or other document may be served on or delivered to any person or persons entitled to a share in consequence of the death or bankruptcy of a member by the company in any manner which would be permitted by the articles if the person or persons concerned were a member or were members and either addressed to him or them by name or by the title of representatives of the deceased or trustee of the bankrupt or by any like description at the address (if any) within the United Kingdom supplied by him or them for that purpose. Until such address has been supplied, a notice or other document may be served on or delivered to the person or persons so entitled in any manner in which it might have been served or given if the death or bankruptcy had not occurred. Regulation 116 of Table A shall not apply.

INDEMNITY

39. Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him as such director or other officer or auditor 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 in which relief is granted to him by the court from liability. Regulation 118 of Table A shall not apply.

R1014.86D5

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

For and on behalf of
TRUCIDATOR NOMINEES LIMITED
35 Basinghall Street
LONDON EC2V 5DB

T.G.M. Buckley director

For and on behalf of
TREXCO LIMITED
35 Basinghall Street
LONDON EC2V 5DB.

G.W. James director

DATED the 25th day of April 1986

WITNESS to the above signatures:-

Paul Emmett

35 Basinghall Street
London EC2V 5DB

Solicitor's Articled Clerk