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FABBRI PUBLISHING LIMITED

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

SPECIAL AND ORDINARY RESOLUTIONS

OF

FABBRI PUBLISHING LIMITED

(Passed on the 27 June 1995)



At an Extraordinary General Meeting of the Company duly convened and held on 27 June 1995 the following ordinary and special resolutions were passed.

ORDINARY RESOLUTIONS

1. THAT the authorised share capital of the Company be increased from £350,000 to £685,033 by the creation of 334,932 new ordinary shares of £1 each 100 'A' Preference Shares and 1 'B' Preference Share in each case of £1 each and having attached thereto the rights set forth in the Articles of Association of the Company as amended by resolution 4 in the notice convening this meeting.
2. THAT for the purposes of section 80 of the Companies Act 1985 (and so that expressions used in this resolution shall bear the same meanings as in the said section 80):
 - (i) the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities up to a maximum nominal amount of £335,033 to such persons and at such times and on such terms as they think proper during the period expiring at the end of 3 months from the date of the passing of this resolution;
 - (ii) the Company be and is authorised to make prior to the expiry of such period any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution;

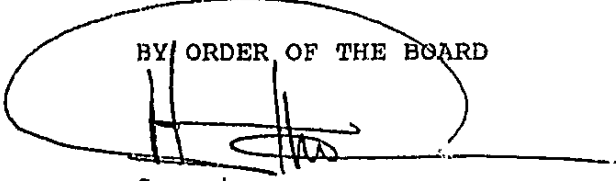
so that all previous authorities of the Directors pursuant to the said section 80 be and they are hereby revoked.

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SPECIAL RESOLUTIONS

3. THAT subject to the passing of resolutions 1 and 2 in the notice convening this meeting and in accordance with section 95 of the Companies Act 1985 ("the Act") the Directors be and are empowered to allot equity securities (as defined in sub-section (2) of section 94 of the Act) pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that resolution 2 up to a maximum nominal value of £335,033 as if sub-section (1) of section 89 of the Act did not apply at any time or times.
4. THAT, pursuant to section 9 of the Companies Act 1985, the Articles of Association of the Company be deleted in their entirety and the regulations contained in the document submitted to the Meeting and for the purpose of identification signed by the Chairman be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the exiting Articles of Association of the Company.

BY ORDER OF THE BOARD



Secretary

Registered office: 39 De Vere Gardens, London, W8 5AW

Company No 226335

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

FABBRI PUBLISHING LIMITED

Adopted by Special Resolution passed
on the 27th day of June 1995

PRELIMINARY

1. (a) The Regulations contained 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 ("Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) In these Articles "the Act" means the Companies Act 1985 as amended by the Companies Act 1989, 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.

DEFINITIONS

2. In these Articles unless the context otherwise requires the following expression shall bear the following meanings:

"ACT" - advance corporation tax.

"Auditors" - the Company's auditors for the time being.

"the Company" - Fabbri Publishing Limited.



"Directors" - the directors of the Company for the time being.

"Distributable Profits" - the total profits of the Company in any Financial Period available for distribution within the meaning given in part VIII of the Act.

"Existing Trading Losses" - the trading losses of the Company accrued as at the date of the adoption of these Articles.

"Financial Period" - the Group's accounting period.

"GEP" - G E Publishing Limited.

"Group" - The Company and G E Fabbri Limited and such other wholly owned subsidiary undertakings as the Company may own from time to time, and "Group Company" shall mean any of them.

"Member" - a holder of shares in the Company.

"RCS" - R.C.S. Libri and Grandi Opere Spa.

"RCS Group" - RCS and any holding company of RCS and any subsidiary of RCS or of such holding company from time to time.

"Relevant Profits" - the profits before corporation tax of the Group in any Financial Period (after deduction of all bank and other similar charges and interest) shown in the audited consolidated profit and loss account of the Company after deducting from such profits all royalty fees received in such Financial Period by the Group from RCS or any other member of the RCS Group.

"Surplus ACT" - all the advance corporation tax paid by the Company on dividends paid prior to the adoption of these Articles and on each of the A, B and Ordinary Dividends declared during the period in which the Company has available for utilisation any part of the Existing Trading Losses and which has not from time to time been allowed by the Inland Revenue to reduce the mainstream corporation tax liability of the Company from time to time.

ALLOTMENT OF SHARES

3. (a) 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 relevant securities (within the meaning of Section 80(2) of the Act) in respect of all the shares for the time being unissued up to the amount of the share capital of the Company authorised but unissued at the date of adoption of these Articles at any time or times during the period of five

years from the said date of adoption and the Directors may, after that period, allot relevant securities 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 of the Company in General Meeting.

(b) All shares before they are allotted shall first be offered to the Members in proportion as nearly as may be to the amount paid up on the existing shares of that class held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, the price payable per share and limiting a period (not being less than fourteen (14) 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 for such consideration 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 paragraph shall have effect subject to Section 80 of the Act.

SHARES

4. The lien conferred by Regulation 8 in Table A shall attach also to fully paid-up 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 owing by him or his estate to the Company, whether such moneys are presently payable or not. Regulation 8 in Table A shall be modified accordingly.

5. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all

expenses that may have been incurred by the Company by reason of such non-payment".

6. The share capital of the Company at the date of adoption of this Article is £685,032 divided into 100 "A" non-voting preference shares of £1 each ("A Preference Shares"), one "B" non-voting Preference Share of £1 ("B Preference Share") and 684,932 ordinary shares of £1 each ("Ordinary Shares").

7. The income, capital and voting rights attaching to the respective classes of the shares shall be as set out in articles 8, 9 and 10 below. Save as specified in Articles 8, 9 and 16, the A Preference Shares and the B Preference Share shall have no rights.

INCOME

8. Provided always that the Company has sufficient Distributable Profits, the profits of the Company available for distribution in any Financial Period shall be applied as follows:-

(a) First, but so that such dividend shall only be payable in any event for so long as any dividends are payable on the A Preference Shares by the Company in paying to the holder of the "B" Preference Share a net dividend equal to 10% of the Relevant Profits of such Financial Period ("the B Preference Dividend") Provided that:

(1) if in any two consecutive Financial Periods ending on or after 31 December 1998 the Group makes Relevant Profits, the Company shall, subject as provided in sub paragraph (2) below, pay to the holder of the B Preference Share an increased B Preference Dividend equal to 12.5% of the Group's Relevant Profits for each subsequent Financial Period;

(2) if in two consecutive Financial Periods the Group does not have any Relevant Profits then the Company shall pay to the holder of the B Preference Share in the next following Financial Period when the Company has Relevant Profits a decreased B Preference Dividend equal to 10% of the Group's Relevant Profits.

The B Preference Dividend shall be paid in two instalments. The first instalment of B Preference Dividend shall be paid by way of interim dividend on 31 July in each Financial Period and shall comprise 10 per cent (or 12.5 per cent, as the case may be) of the Relevant Profits of the Group for the six month period from 1st January to 30 June, as determined from the half yearly accounts of the Group and the balance shall be paid within 30 days after the annual audited accounts of the Group for each Financial Period are approved by the Directors.

PROVIDED THAT if the amount payable by the Company by way of a B Preference Dividend in respect of any Financial Period shall be less than the amount paid by way of interim dividend on the B Preference Share, the holder of the B Preference Share shall refund the excess amount within 30 days of approval of the annual audited accounts of the Group for such Financial Period.

Any dispute as to the amount of the B Preference Dividend or any interim dividend payable on the B Preference Share shall be referred to the Auditors or, in the event that all the Members shall not unanimously agree to such dispute being determined by the Auditors, to such other firm of chartered accountants as the President for the time being of the Institute of Chartered Accountants in England and Wales shall, on the application of any Member decide. The Auditors or such other firm of chartered accountants shall act as experts and not as arbitrators and their decision shall, in the absence of manifest error, be final and binding. The costs of the Auditors or such other firm of chartered accountants shall be borne as they determine or, in the absence of determination, equally by the Members of the Company.

The B Preference Dividend shall accrue to the B Preference Share on a daily basis throughout each Financial Period (or part thereof) in respect of which the same shall be payable.

The first B Preference Dividend shall be payable in respect of the Relevant Profits of the Group for the whole of the Financial Period ending 31 December 1995.

(b) Second, but so that such dividend shall only be payable in any event for so long as the Company has available for utilisation any part of the Existing Trading Losses and/or has any unutilised Surplus ACT and subject to the provisions of paragraph (a) of this Article, in paying to the holder of each "A" Preference Share for each Financial Period a net dividend ("the A Preference Dividend") of an amount equal to one hundredth of the Specified Amount for each A Preference Share so held. The Specified Amount shall be calculated as follows:-

(i) during the period in which the Company has available for utilisation any part of the Existing Trading Losses (commencing in the Financial Period ending 31st December 1995) the amount by which the Company's profits available for distribution are increased in any Financial Period by the use of the Existing Trading Losses before any calculation of ACT payable on all dividends paid by the Company in such Financial Period minus the ACT payable on the A and B Preference Dividends paid in respect of such Financial Period and minus the ACT payable on dividends paid on the Ordinary Shares in respect of such Financial Period.

(ii) During the period after the Existing Trading Losses have been utilised in full but whilst the Company has unutilised Surplus ACT, the amount by which the profits available for distribution are increased in any Financial

Period by the utilisation of the Surplus ACT before any calculation of ACT payable on all dividends paid by the Company in such Financial Period minus the ACT payable on the A and B Preference Dividends paid in respect of such Financial Period and minus the ACT payable on dividends paid on the Ordinary Shares in respect of such Financial Period.

PROVIDED THAT the Existing Trading Losses shall be used as soon as legally possible to reduce the Company's future taxable profits and THAT the Surplus ACT shall be set off as soon as legally possible against the future mainstream corporation tax liability of the Company;

PROVIDED FURTHER THAT if the Inland Revenue shall, after payment of any A Preference Dividend disallow the use of any such losses or any part of the Surplus ACT against the profits, income or gains of any Group Company, the Company shall use its best endeavours to obtain repayment from the holders of the A Preference Shares, and the holders of the A Preference Shares shall repay the amount of such A Preference Dividend received by them which is referable to the losses or Surplus ACT of any Group Company so disallowed. A certificate of the Auditors as to the amounts so payable by the A Preference Shareholders shall, save in the case of manifest error, be final and binding.

The A Preference Dividend shall be paid annually and shall be paid within 30 days after the approval by the Board of the annual audited accounts of the Company. The first A Preference Dividend shall be paid in respect of the amount by which the whole of the profits of the Company for the Financial Period ending 31 December 1995 and available for distribution are increased by the use of the Existing Trading Losses.

(c) Subject to the Company having complied with the provisions of paragraphs (a) and (b) of this Article in respect of that Financial Period and in respect of all previous Financial Periods of the Company, any remaining profits which the Company determines to distribute in any Financial Period shall be applied in paying to the holders of the Ordinary Shares a dividend, of such amount as they shall determine ("the Ordinary Dividend"). The Ordinary Dividend shall be paid annually and shall be paid within thirty (30) days after the approval by the Board of the annual audited accounts of the Company. The first Ordinary Dividend shall be paid in respect of the Financial Period ending 31 December 1995.

(d) Each dividend shall be distributed to the appropriate shareholders pro rata according to the amounts paid up or credited as paid up on the shares of the relevant class and shall accrue on a daily basis.

(e) Unless the Company has insufficient Distributable Profits available for distribution and is thereby prohibited from paying dividends the A Preference Dividend and the B Preference

Dividend shall be paid on or before the due date and if not then paid shall be payable in priority to any other dividend.

(f) The Company shall take all necessary steps lawfully available to it to ensure that its Distributable Profits are sufficient to enable a lawful and prompt payment of the A Preference Dividend and the B Preference Dividend.

CAPITAL

9. (a) On a return of assets on liquidation or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares) the assets of the Company remaining after the payment of the liabilities shall be applied as follows:

(1) firstly, in paying to the holders of the B Preference Share and the A Preference Shares (in that order) the subscription price per share together with a sum equal to any arrears, deficiency or accruals of respectively the B Preference Dividend and the A Preference Dividend.

(2) secondly, in paying to the holders of the Ordinary Shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals in the Ordinary Dividend.

(b) The balance of such assets shall be distributed amongst the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up on the Ordinary Shares.

VOTING

10. The holders of the A Preference Shares and the B Preference Share shall have the right to receive notice of general meetings of the Company but not to attend or vote thereat.

TRANSFER OF SHARES

11. (a) No Member shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share or create or permit to exist any charge, lien, encumbrance or trust over any share or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things unless both the following conditions are satisfied:

(1) such disposal, renunciation, assignment, permission or agreement is permitted by Article 12 or by Article 13; and

(2) the transferee of the shares rights or interests in question assumes by deed such obligations of the transferor contained in any shareholders agreement relating to the Company as the Members not transferring their shares, rights or interests shall require;

(b) If a Member at any time breaches or attempts to breach Article 11(a) in relation to any share in the Company he shall be deemed immediately prior to such attempt to have given a Transfer Notice (as that expression is defined in Article 13(b)) in respect of such share.

(c) For the purpose of ensuring that a particular transfer of shares is permitted hereunder the Directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of twenty-eight (28) days after such request the Directors shall be entitled to refuse to register the transfer in question.

(d) Where a Transfer Notice in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the Directors (as a whole) are unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the Directors on the date on which the Directors (as a whole) actually become aware of such facts and the provisions of Article 13 shall apply accordingly.

(e) If a Member or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a Transfer Notice he shall forthwith give written notice thereof to the Directors. In these Articles the expression "Representatives" means, in relation a Member who is an individual, any person or persons who have become entitled to his shares in consequence of his death, bankruptcy or mental incapacity and, in relation to a Member which is a body corporate, any liquidator, receiver or administrator of such body corporate.

PERMITTED TRANSFERS

12. (a) In this Article "privileged relation" means, in relation to a Member, the spouse (or widow or widower) of the Member and the Member's lineal descendants and for the purposes aforesaid a step-child or adopted child or illegitimate child of any Member shall be deemed to be a lineal descendant of such Member;

(b) A Member being an individual may at any time transfer all or any of the shares held by him to a privileged relation;

(c) (1) Any Member being a body corporate may at any time transfer all or any shares held by it to a member of the same group.

(2) Where shares have been transferred under sub-paragraph (1) (whether directly or by a series of transfers thereunder) from a body corporate ("the transferor company" which expression shall not include a second or subsequent transfer in such a series of transfers) to a member of the same group ("the transferee company") and subsequently the transferee company ceases to be a member of the same group as the transferor company then the transferee company shall forthwith transfer the relevant shares to the transferor company; and failure so to transfer such shares within 28 days of the transferee company ceasing to be a member of the same group as the transferor company shall result in a Transfer Notice (as that expression is defined in Article 13(b)) being deemed immediately to be given in respect of the relevant shares.

(3) For the purposes of this paragraph:

(i) "a member of the same group" means a company which is from time to time a holding company of which the transferor company is a wholly-owned subsidiary or a wholly-owned subsidiary of the transferor company or of any holding company of which the transferor company is a wholly-owned subsidiary or is a company controlled, directly or indirectly, by that Company and for these purposes "controlled" shall have the meaning ascribed to in Section 840 of the Income and Corporation Taxes Act 1988; and

(ii) "relevant shares" means and includes (so far as the same remain from time to time held by the transferee company) the shares originally transferred to the transferee company and any additional shares issued or transferred to the transferee company by virtue of the holding of the relevant shares or any of them.

(d) A Member may at any time transfer all or any of his shares to any person with the prior written consent of all the other Members.

(e) The Representatives of a Member may at any time transfer all or any of the shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under this Article.

(f) Unless all the Members otherwise agree, no transfer of any share permitted by this Article shall be made during the active period of any Transfer Notice or deemed Transfer Notice in respect of such share (and for this purpose "active period" in respect of a given notice means the period from the time of its service until the time when no Member has any further rights or obligations, directly or indirectly, pursuant to that notice).

PRE-EMPTION RIGHTS

13. (a) Except for a transfer of shares which is permitted under Article 12, no share shall be transferred until the following conditions of this Article are complied with.

(b) A Member (or other person entitled to transfer a share registered in the name of a Member) who wishes to transfer any shares ("the Transferor") shall give a notice in writing ("Transfer Notice") to the Company that he wishes to transfer the same. Every Transfer Notice shall specify the number of shares which the Transferor wishes to sell and shall constitute the Company his agent for the sale of those shares to the other Members at the price ascertained in accordance with the provisions of paragraph (f) of this Article ("the Prescribed Price"). When the Prescribed Price is fixed by an independent firm of Chartered Accountants (in accordance with the provisions of paragraph (f) of this Article) a Transfer Notice may be withdrawn within 7 days after the ascertainment of the Prescribed Price but otherwise a Transfer Notice may only be withdrawn with the consent of the Directors.

(c) The Company shall, within fourteen (14) days (or so soon thereafter as may be practical) after a Transfer Notice is given, ascertain the Prescribed Price thereof and shall immediately thereafter offer the shares comprised in that Transfer Notice to each Member holding shares of the same class (other than the Transferor) for purchase at the Prescribed Price on the terms that, in the case of competition, the shares so offered shall be sold to the persons accepting the offer in proportion (as nearly as may be and without increasing the number sold to any person beyond the number applied for by him) to their existing holdings of shares of the same class as those comprised in the Transfer Notice and on the terms that, unless the Transferor shall otherwise agree in writing, the Transferor shall not be bound to sell any share unless all the shares comprised in the Transfer Notice are accepted and paid for by one or more Members. No shares comprised in a Transfer Notice shall be sold otherwise than to Members holding shares of that class if any such Members are willing to acquire the same and if there are no such Members who wish to acquire such shares the said shares shall be offered to all other members of the Company (excluding those who have

disregarded or rejected the offer) on the terms mutatis mutandis of this paragraph (c). Every such offer shall be in writing and shall remain open for acceptance for the period (called "the Offer Period") expiring thirty (30) days after the ascertainment of the Prescribed Price.

(d) If the Company shall during the Offer Period find Members ("the Purchasers") willing to purchase all the shares comprised in a Transfer Notice, the Company shall give written notice to the Transferor of the name and address of each Purchaser and the number and class of shares agreed to be purchased by him. The Transferor shall then be bound, upon payment of the Prescribed Price, to transfer to the Purchasers the shares agreed to be purchased by them respectively. The sale and purchase shall be completed at a place and time (being not less than seven (7) days nor more than thirty (30) days after the expiry of the Offer Period) to be appointed by the Directors.

(e) If the Transferor shall fail to transfer any shares which he has become bound to transfer, the Directors (not appointed to the Company by the Transferor) may authorise some person to execute on his behalf a transfer of the shares to the Purchaser and may receive the purchase money and shall thereupon register the Purchaser as the holder of the shares and issue to him a certificate for the same. The Purchaser shall then become indefeasibly entitled thereto. The Transferor shall in such case be bound to deliver to the Company his certificate for such share and the Company shall on delivery of the certificate pay to the Transferor the purchase money without interest and shall issue to him a certificate for the balance of any shares comprised in the certificate so delivered which the Transferor has not become bound to transfer.

(f) The Prescribed Price for the shares comprised in a Transfer Notice shall be the price agreed between all the Members of the Company and in default of agreement, the price certified by an independent firm of chartered accountants ("the Experts") agreed to by all the Members of the Company (or, in default of agreement, nominated by the President for the time being of the Institute of Chartered Accountants). The Experts shall value the whole of the issued share capital of the Company on the basis of its open market value, including the amount receivable on any class of shares in the Company in respect of dividends earned, accrued or declared thereon, but not paid, on the assumption of a sale on a going concern basis as between a willing vendor and a willing purchaser and the Experts shall certify the Prescribed Price which shall be such proportion which the number of shares to be sold bears to the total value placed on all of the shares of their class in issue but taking no account of whether the shares the subject of a Transfer Notice comprise a majority or minority of the issued share capital of the Company. In so

certifying, the Experts shall be deemed to be acting as experts and not as arbitrators and their certificate shall be conclusive and binding on the Transferor and the Purchasers who shall pay the costs and expenses of such certificate in equal shares.

(g) If the Company shall not during the offer period find Members willing to purchase all the shares comprised in a Transfer Notice or if, through no default of the Transferor, the purchase of any shares shall not be completed within twenty-one (21) days after the date appointed for the purpose by the Directors, the Transferor may, subject as provided below, at any time within ninety (90) days after the expiry of the offer period transfer any shares which he is not bound to transfer by the provisions of this Article or which have not been purchased within twenty-one (21) days as aforesaid to any person on a bona fide sale for a price not less than the Prescribed Price.

(h) (1) In this paragraph a "Relevant Event" means:

(i) in relation to a Member being an individual:

(aa) such Member being adjudicated bankrupt; or

(bb) such Member dying; or

(cc) in relation to a Member who is a Director the happening of any such event as is referred to in paragraph (c) of Regulation 81 of Table A (as modified by Article 22 below); or

(dd) such Member ceasing to be connected with the Company (otherwise than by reason of death and for these purposes an individual shall be treated as connected with the Company if but only if and so long as he is a Director or employee of the Company or of any subsidiary of the Company;

(ii) a Member making any voluntary arrangement or composition with his creditors;

(iii) in relation to a Member being a body corporate:

(aa) a receiver, manager, administrative receiver or administrator being appointed of such Member or over all or any part of its undertaking or assets; or

(bb) such Member entering into liquidation (other than a voluntary

liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or

(cc) such Member ceasing to be controlled (as defined by Section 840 of the Income and Corporation Taxes Act 1988) by the person(s) who controlled such Member on the date on which it became a Member of the Company or on the date of adoption of these Articles (whichever shall be the later).

(2) Upon the happening of any Relevant Event the Member in question shall be deemed to have immediately given a transfer notice in respect of all the shares as shall then be registered in the name of such Member.

(i) An obligation to transfer a share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share (and any further shares in the Company issued or transferred to the Member in question by virtue of such share) free from any lien, charge or other encumbrance.

(j) For the purpose of this paragraph 13 a transfer of shares shall be deemed to include a disposition of any interest in, or right attaching to, or renunciation or assignment of any right to receive or subscribe for, any share and the creation of any charge, lien encumbrance or trust over any share.

GENERAL MEETINGS AND RESOLUTIONS

14. (a) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 38 in Table A shall be modified accordingly.

(b) All business shall be deemed special that is transacted at an 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.

(c) Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

15. (a) No business shall be transacted at a General Meeting unless a quorum is present when the meeting proceeds to business. Two Members present in person or by proxy and entitled to vote shall be a quorum.
- (b) If a quorum is not present within an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned for fourteen (14) days and shall be held on the same day 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 an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.
- (c) Regulation 41 in Table A shall not apply to the Company.

VARIATION OF CLASS RIGHTS

16. (a) Whenever the capital of the Company is divided into different classes of share capital the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of all of the holders of the issued shares of the class or with the sanction of a resolution passed by all of such holders at a separate meeting of the holders of the shares of the class, but not otherwise.
- (b) Any separate meeting of the holders of any class of shares shall be convened and conducted in all respects as nearly as possible in the same way as an extraordinary general meeting of the Company provided that:-
- (i) no Member, other than a director, shall be entitled to notice of it or to attend unless he is a holder of shares of that class;
- (ii) no vote shall be given except in respect of the shares of that class;
- (iii) the quorum attending such meeting shall be two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of the class unless there is only one Member holding shares of the class in question, in which case the quorum shall be such Member in person or represented by proxy.
17. On a show of hands votes may be given either personally or by proxy.

APPOINTMENT OF DIRECTORS

18. (a) Regulation 64 in Table A shall not apply to the Company.
- (b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination the number of directors shall be no more than four and no less than two. 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, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with this paragraph (b) as the maximum number of directors for the time being in force.
- (c) The Directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.
19. (a) Directors shall not be required to hold any share qualification.
- (b) Directors shall not be entitled to be paid any remuneration by the Company
- (c) The Company shall reimburse all reasonable costs and expenses incurred by or on behalf of Directors within the annual budget of the Company, in furtherance of the Company's business (including attending board and shareholder meetings) provided that they are supported by relevant vouchers and receipts.

BORROWING POWERS

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

21. (a) A Director, or any such other person as is mentioned in Regulation 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of

the Directors or of any committee 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.

(b) An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director or on the happening of any event which if the alternate were a director would cause him to vacate such office. An alternate director shall not, during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor. An appointment of an alternate shall not prejudice the right of the appointor to receive notice of and to attend and vote at meetings of the board of directors.

DISQUALIFICATION OF DIRECTORS

22. The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Regulation 81 in Table A shall be modified accordingly.

PROCEEDINGS OF DIRECTORS

23. (a) The quorum necessary for the transaction of the business of the Directors shall be two and if a quorum is not present within an hour after the time appointed for the meeting the meeting shall be adjourned for fourteen (14) days at the same time and place or at such other time and place as the Directors may determine (provided that notice thereof is given to all Directors in accordance with these Articles) and at such adjourned meeting a quorum shall consist of any two Directors of the Company.

(b) For the purpose of determining whether the quorum for the transaction of the business of the Directors exists pursuant to this article 21:

(1) in the case of a resolution agreed by Directors in telephonic communication, all such Directors shall be counted in the quorum;

(2) in the case of a meeting of Directors, in addition to the Directors present at the meeting, any Director in telephonic communication with such meeting shall be counted in the quorum.

24. (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or

indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

25. The necessary majority required to pass resolutions at the business of the Directors shall be fixed by the Shareholders and unless so fixed either by agreement or resolution shall be a majority vote of not less than 3 to 1.

26. Any Director (including an alternate Director) may participate in a meeting of the Directors or a committee of Directors of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.

27. The chairman of the board of directors of the Company shall have no second or casting vote and Regulation 88 of Table A shall be varied accordingly and the Chairman and Managing Director of the Company shall have equal rights to bind and represent the Company and in the internal affairs of the Company.

28. Meetings of the Board of Directors shall be held at intervals not exceeding three months and written notice at least twenty (20) clear business days notice in writing shall be given to each Director prior to the meeting.

INDEMNITY

29. (a) Every Director or other officer 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 which are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application under Section 144 or Section 727 of the 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 in so far as its provisions are not avoided by Section 310 of the Act.

(b) Regulation 118 in Table A shall not apply to the Company.

NOTICES

30. A Member shall be entitled to receive notices from the Company notwithstanding that his registered address as appearing in the register of members is outside the United Kingdom. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register of members, and notice so given shall be sufficient notice to all the joint holders.

31. (a) Any notice or document required by these Articles to be given by the Company or a Director or Member shall be in writing and be delivered by hand or sent by pre-paid first class post or facsimile telecopier ("fax") to the address of the addressee as shown in the register of members, or to such other address or fax number in England as the addressee may from time to time have notified for the purposes of this clause, provided that if it can be proven that a person has received such notice that notice shall be valid notwithstanding that it was not sent to the correct address.

(b) Notices shall be deemed to have been received:-

(1) if delivered by hand, on the day of delivery;

(2) if sent by first class post, two (2) business days after posting exclusive of the day of posting (or five (5) business days in the case of a posting overseas from the address from which the notice was posted);

(3) if sent by fax, at the time of transmission, or, if the time of transmission is not during the addressee's normal business hours, at 9.30 am on the next business day.

(c) Notices addressed to a corporate member shall be marked for the attention of one of their appointed Directors to the Company (if they have appointed such Directors).

(d) In proving service:-

(1) by delivery by hand, it shall be necessary only to produce a receipt for the notice signed by or on behalf of the addressee;

(2) by post, it shall be necessary only to prove that the notice was contained in an envelope which was duly addressed and posted in accordance with this Article; and

(3) by fax, it shall be necessary only for the notice or a confirmatory letter to have been delivered by hand or sent by first class post on the same or the next day but failure of the addressee to receive such confirmation shall not invalidate the relevant notice deemed given by fax.