

Company No. 2261712

The Companies Act 1985

Company Limited by Shares

SPECIAL RESOLUTION

of

LUDGATE INVESTMENT HOLDINGS LIMITED

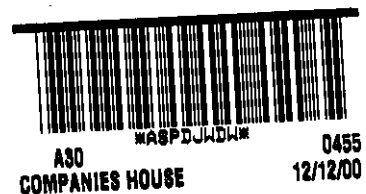
Passed *4 December,* 2000

By a Written Resolution of all the members of the Company signed on *4 December,* 2000, the following resolution was passed unanimously as a special resolution:

THAT the Articles of Association of the Company be thereupon altered by the deletion of the entire existing articles and substituting them with those submitted to the meeting, and for the purposes of identification, signed by the Chairman hereof.

[Signature]

Secretary



THE COMPANIES ACT 1985



COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

LUDGATE INVESTMENT HOLDINGS LIMITED

(As adopted by special Resolution passed on 4 December, 2000)

1 Preliminary

- 1.1 The regulations in Table A (as set out in the Schedule to the Companies (Table A to F) Regulations 1985 and amended by the Companies (Tables A to F) (Amendment) Regulations 1985 or any alteration or replacement thereof), shall apply to the Company, save in so far as these Articles set out below disapply, modify or are inconsistent with them, to the exclusion of the Table A contained in any other enactment. References to "Regulations" are to regulations in the first mentioned Table A.
- 1.2 References in these Articles to "the Act" are references to the Companies Act 1985 and any statutory modification or re-enactment thereof for the time being in force.

2 Share Capital

- 2.1 Subject to the provisions of the Act and Article 16, all unissued shares shall be at the disposal of the Directors and they may allot, grant rights, option or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.
- 2.2 Pursuant to section 80 of the Act, the Directors may exercise generally the power of the Company to allot relevant securities up to a maximum aggregate nominal amount equal to the unissued capital at the date of adoption of these Articles but so that this authority, which is unconditional, shall expire on the day falling five years after the date of adoption of these Articles. However, the Company may make offers or agreements prior to the expiry of this authority which will or might require relevant securities to be allotted after such expiry and the Directors may then allot relevant securities in pursuance of such offers or agreements notwithstanding that this authority has expired.
- 2.3 Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to any allotment of equity securities.

3 Lien

The Company shall have a first and paramount lien on every share (whether or not fully paid) standing registered in the name of any person (whether solely or jointly with others) for all monies (whether or not presently payable) due by him or his estate, either alone or jointly with any other person, to the Company. Such lien shall be without prejudice to any rights given to or reserved by the company on allotment or issue. The first sentence of Regulation 8 shall not apply.

4 Calls on Shares and Forfeiture

An amount payable in respect of a share on or prior to allotment or issue or at any fixed date shall be deemed to be a call due and payable on the stipulated date of payment and the person liable to pay such call shall be such person as may be specified in the terms of allotment or, if in the case of payment on a fixed date the terms of allotment do not specify who shall be liable, the member holding such share on such fixed date. Regulations 12, 13 and 16 shall be modified accordingly.

5 Transfer of Shares

Without prejudice to the provisions of Regulation 24:

- (a) the Directors may refuse to register the transfer of a share unless the transfer has been duly stamped before it is lodged at the office, and they shall so refuse if upon reasonable inquiry it appears to them not to have been duly stamped; and
- (b) the Directors may in their absolute discretion and without assigning any reason therefore refuse to register any transfer of a share to a person who is not a member of the Company at the date on which the transfer is lodged at the office.

6 Transmission of Shares

A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall notify the Company of such entitlement within three months thereafter. The Directors may serve notice on a person becoming so entitled (and whether or not he shall have notified the Company of his entitlement) requiring him to elect within three calendar months after the service of such notice either to become the holder or to have some person nominated by him registered as the transferee and if he does not so elect within such period the Directors may thereafter retain any sums due from the Company on the share (whether in respect of capital or otherwise but not including any sum payable in a liquidation of the Company) until such election is made, whereupon the sums retained shall be paid to such person without interest or other compensation for late payment. Regulations 30 and 31 shall be modified accordingly.

7 Notice of General Meetings

- 7.1 No resolution shall be voted on and no other business shall be transacted at any meeting unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. The first sentence of Regulation 40 shall be modified accordingly.
- 7.2 If a quorum is not present within half an hour from the time appointed for a meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week (or such other day as the Directors may determine) at the same time and place (or such other time and place as the Directors may determine) except that, if the meeting was called by or on the requisition of members, it shall not be so adjourned but shall be dissolved. If at such an adjourned meeting a quorum is not present within half an hour from the time appointed therefor, or if during the course of that adjourned meeting a quorum ceases to be present, the meeting shall be dissolved. Regulation 41 shall not apply.
- 7.3 A poll may be demanded at any meeting by the Chairman or by a member having the right to vote at the meeting but not otherwise. Regulation 46 shall be modified accordingly.
- 7.4 A resolution in writing signed by or on behalf of :
 - (a) in the case of a resolution intended to take effect as a Special or an Extraordinary Resolution, each member of the Company; and

- (b) in all other cases, each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present;

shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each so executed or containing such approval by or on behalf of one or more members. A resolution shall be deemed to be in writing and signed by or on behalf of a member for the purposes of this Article 7.4 if it is a telefaxed copy of a resolution signed by or on his behalf or is contained in a telegram or telex sent by him or on his behalf. Regulation 53 shall not apply.

- 7.5 The instrument appointing a proxy to vote at a general meeting of the Company or at a separate meeting of the holders of any class of shares in the Company, accompanied by any authority under which it is executed or a copy of such authority certified either by a firm of solicitors or in some other way approved by the Directors, may:

- (a) be deposited at the office or at such other place within Great Britain as is specified in, or by way of note to, the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than one hour before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
- (b) in the case of a poll taken at or on the same day as the meeting or adjourned meeting at which it was demanded, be delivered to the Chairman or to the Secretary or to any Director before the time for holding the poll; or
- (c) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting at which it was demanded, be delivered to the Chairman or to the Secretary or to any Director not less than one hour before the time for holding the poll; and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Regulation 62 shall not apply.

8 Number of Directors

Whenever the minimum number of Directors is one and there is only one Director, such sole Director may exercise all the powers and discretions expressly or impliedly vested in the Directors generally.

9 Alternate Directors

- 9.1 Any Director may appoint any other Director, or (subject to approval by resolution of the Directors) any other person willing so to act, to be his alternate director. The same Director or other person may be appointed as the alternate director for more than one Director.
- 9.2 An alternate director shall be entitled to receive notice of all meetings of Directors and of all meeting of committees of Directors of which his appointor is a member unless he is absent from Great Britain at the time the notice is issued. Subject to the provisions of these Articles, an alternate director for any Director shall be entitled to attend and vote at any meeting at which his appointor is not personally present and generally at such meeting to perform all the functions of his appointor as a Director.
- 9.3 An alternate director for any Director shall not be entitled to receive any remuneration from the Company for his services as such alternate director except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. However, an alternate director who is not a Director may be paid such travelling, hotel and other expenses (if any) properly incurred by him in connection with his attendance at meetings of Directors or committees of Directors or otherwise in connection with

the discharge of his duties as an alternate director as the Directors (or any Director authorised in that behalf by the Directors) may approve.

- 9.4 A Director may at any time revoke the appointment of the alternate director appointed by him. An alternate director shall in any event cease to be the alternate director for any appointor if such appointor ceases to be a Director or if he resigns as the alternate director for such appointor.
- 9.5 Any appointment, removal or resignation of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or by the resigning alternate director or in any other manner approved by the Directors. Any such appointment, removal or resignation shall take effect from such date as may be specified in the notice or, if no date is specified, forthwith.
- 9.6 A person appointed as an alternate director who is not a Director is not and shall not be deemed to be a Director by reason of such appointment and except as provided in these Articles shall not have power to act as a Director. However, such an alternate director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his functions as if he were a Director. Subject as provided in Article 13.8, the provisions of these Articles relating to whether or not a Director may vote or be counted in the quorum on resolutions concerning matters in which such disclosure of any such interest or duty shall accordingly apply mutatis mutandis to every such alternate director. The provisions of Regulations 85 and 86 (as modified by these Articles) shall apply to alternate directors except that Regulation 85(b) shall extend to the Company in addition to the bodies corporate referred to in that Regulation. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor except in relation to matters in which he acted (or referred from acting) on the direction or at the request of his appointor.
- 9.7 Regulations 65 to 69 (both inclusive) shall not apply.

10 Delegation of Directors' Powers

The Directors may delegate any of their powers or discretions to any committee consisting of one or more Directors and may from time to time impose regulations to govern the proceedings of any such committee. The Directors may also delegate to any Managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation (whether to a committee or a Managing or other Director) may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions and regulations, the proceedings of any such committee consisting of two or more Directors shall be governed by the provisions of these Articles regulating the proceedings of Directors so far as they are capable of applying. Regulation 72 shall not apply.

11 Appointment and Retirement of Directors

- 11.1 The Directors shall not be subject to retirement by rotation. Regulations 73 to 76 shall not apply and references in any other Regulation to Directors retiring by rotation shall be disregarded.
- 11.2 If any resolution for the appointment or reappointment as Director of any person is to be proposed at any general meeting, the notice calling such general meeting need only give the name of such person. Regulation 77 shall not apply.
- 11.3 The Directors may 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 fixed by or in accordance with these Articles as the maximum number of Directors. Regulations 78 to 80 shall not apply.

12 Directors' Appointments and Interests

- 12.1 For the avoidance of doubt, references in Regulations 85 and 86 to transactions or arrangements shall include contracts, guarantees and indemnities (whether or not constituting a transaction or arrangement). Regulations 85 and 86 shall be modified accordingly.
- 12.2 Regulations 85 and 86 are without prejudice to the disclosure requirements relating to Directors' interests contained in the Act.
- 12.3 There shall be no age limit for Directors and Section 293 of the Act shall not apply to the Company.

13 Proceedings of Directors

- 13.1 It shall not be necessary to give notice of a meeting of Directors to a Director who is absent from Great Britain at the time the notice is issued except that if the meeting is to be held on or after the next business day after such notice is issued and he returns to his normal place of business on or before the business day prior to the holding of the meeting and notifies the Secretary or Chairman of his return such notice shall be given to him as soon as practicable. If the same person is the alternate director for more than one Director he shall be entitled in the absence of two or more of his appointors to separate votes on behalf of each such appointor on a cumulative basis in addition (if he is himself a Director) to his own vote. Regulation 88 shall be modified accordingly.
- 13.2 A person who is present at a meeting both as a Director and as the alternate director for another Director (or two or more other Directors) shall be entitled in addition to his own vote to a separate vote on behalf of such Director (or, as the case may be, separate votes on a cumulative basis on behalf of each such Director). Similarly, a person (other than a Director) who is present at a meeting as an alternate director for two or more Directors shall be entitled to a separate vote on a cumulative basis on behalf of each such Director. Regulation 88 shall be modified accordingly.
- 13.3 Regulation 89 shall not apply in the case of a sole Director if the minimum number of Directors is one. Provided that at least one other person is personally present as a Director or an alternate director and (apart from this Article) counted in the quorum:
- (a) a person who is present at a meeting of Directors both as a Director and as the alternate director for another Director (or, as the case may be, two or more other Directors) shall in addition to being counted in the quorum as such Director be counted in the quorum separately in respect of such Director (or, as the case may be, each such Director on a cumulative basis); and
 - (b) a person (not being a Director) who is present at a meeting of Directors as an alternate director for two or more Directors shall be counted in the quorum separately in respect of each such Director on a cumulative basis.
- Regulation 89 shall be modified accordingly.
- 13.4 The provisions of Regulation 92 shall extend to include alternate directors and their acts as if they were Directors.
- 13.5 A resolution in writing signed by all the Directors or all the members of a committee of Directors for the time being in Great Britain shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each so signed or containing such approval by one or more Directors. A resolution shall be deemed to be in writing and signed by a Director or an alternate director or a member of a committee of Directors for the purposes of this Article 13.5 or Article 13.6 if it is a telefaxed copy of a resolution signed by him or is contained in a telegram or telex sent by him. Regulation 93 shall not apply.

- 13.6 A resolution in writing signed by two of the Directors (or their alternate directors) shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each so signed or containing such approval by one or more Directors; provided that a copy of such resolution shall have been given to all the Directors (other than a Director who is absent from Great Britain at such time) at least 24 hours before the same is signed and no Director shall have given notice to the Secretary prior to such signature that he objects to the passing of such resolution.
- 13.7 Any Director or alternate director who attends a meeting of Directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all purposes of these Articles and shall be counted in the quorum accordingly.
- 13.8 Subject to the provisions of the Act and without prejudice to the disclosure requirements contained in Section 317 of the Act, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution on which he would otherwise be prohibited from voting by Regulation 94 provided that before such resolution is moved he discloses to the meeting or is deemed pursuant to Regulation 86 to have disclosed the nature and extent of his interest. Regulation 94 shall be modified accordingly.
- 13.9 If an alternate director for any Director has an interest in a matter for the purposes of Regulation 94 only because he is treated as having an interest of his appointor and such alternate director is himself a Director or Directors not personally present at the meeting, Regulation 94 (as modified by Article 13.8) shall apply separately to each of the votes to which he is entitled on a cumulative basis and (notwithstanding that he is so treated as having an interest and provided he is not otherwise precluded from voting) he may and shall be counted in the quorum in respect of his office as a Director and as an alternate director for such other Directors. Regulations 94 (as modified by Article 13.8) and 95 shall be modified accordingly.

14 Notices

Without prejudice to any other manner in which the Company may give notices to members, the Company may give a notice to any member by e-mail to any e-mail address previously notified to the Company by or on behalf of such member. The Company may send or deliver any document (including without limitation a certificate or allotment letter for any shares or other securities, options or rights) to any member in the same manner as it may give notices to such member (provided that no such certificate or allotment letter may be sent or delivered by e-mail). Any such document shall be so sent or delivered at the member's risk.

15 Indemnity

Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director, Secretary or other officer of the Company (including alternate directors and members of any committee of Directors) shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in, or in relation to, the execution and discharge of his duties including any cost expense or other liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee, or otherwise in relation to the affairs, of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted 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 in relation to the affairs of the Company. However, this Article shall have effect only in so far as its provisions are not avoided by Section 310 of the Act. Regulation 118 shall not apply.

Overriding Provisions

Whenever The British Land Company PLC or any company which is for the time being a holding company or a subsidiary of that company or of any such holding company ("the Parent Company") shall be the holder of not less than 90 per cent. of the issued ordinary shares in the capital of the Company, the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these Articles:

- (a) the Parent Company may at any time and from time to time appoint any person to be a Director or Secretary or remove from office any Director or Secretary (whether or not appointed by the Parent Company) but so that in the case of an executive Director his removal from office shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- (b) the Parent Company may at any time and from time to time appoint any person to be an alternate director for any Director (in which case the Director shall during the currency of such appointment have no right to appoint an alternate director himself and shall have no right to remove such alternate director or to direct him how to vote or act) or remove from office any alternate director (whether or not appointed by the Parent Company) but so that in the case of appointment the alternate director shall be deemed for the purposes of these Articles to have been appointed by such Director;
- (c) the Parent Company may at any time and from time to time appoint any person (whether or not a Director and notwithstanding that members are otherwise required to be Directors) to be a member of any committee of Directors or remove from office any member of any such committee (whether or not appointed by the Parent Company);
- (d) no unissued shares shall be allotted or issued or agreed to be allotted or issued and no subscription rights, options or warrants shall be granted or agreed to be granted without the consent of the Parent Company;
- (e) no security or security interest of any description over or in relation to the assets of the Company or any of them, present or future, shall be created or allowed to subsist without the consent of the Parent Company; and
- (f) any or all powers of the Directors shall be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing delivered to the registered office of the Company and signed on behalf of the Parent Company by any two of its Directors or by any one of its Directors and either its Secretary or some other person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent Company has been obtained. Moreover, no obligation incurred or security interest created or transaction effected by the Company to, in favour of or with any third party in excess of the powers of the Directors as so restricted (but within the powers of the Directors apart from any restriction imposed under this Article) or without any requisite consent of the Parent Company shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the creation of such security or security interest or the effecting of such transaction was in excess of the powers of the Directors as so restricted and lacked any such requisite consent.