

BONHAMS (TRADING) LIMITED

REGISTRATION NUMBER: 2939493

THE COMPANIES ACT 1985

COPY Resolution of the type and in the terms specified below as passed by the Members of the Company named above at the Extraordinary General Meeting duly convened and held at Garrick House, 27-32 King Street, Covent Garden, London WC2E 8JD on the 11th day of July 1994 at 10 a.m./p.m.

SPECIAL RESOLUTION

"That the Articles of Association be altered by adopting the new Articles attached hereto and approved without amendment."

BY ORDER OF THE BOARD

.....*M. D. A. Chan*.....
Company Secretary

Dated the 11th day of July 1994



•AJ28P2WC•

10061 RECEIPT DATE: 13/07/94

BONHAMS (TRADING) LIMITED

COMPANY NUMBER: 2939493

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

Beale and Company
Garrick House
27-32 King Street
Covent Garden
LONDON WC2E 8JD
Tel: 081 203 6634
Ref: mja/M31X1.05



AJ28R2WE

A061RECEIPT DATE:13/07/94

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
BONHAMS (TRADING) LIMITED

PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save insofar 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 expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

ALLOTMENT OF SHARES

2. (a) Shares comprised in the authorised share capital of the Company (including any increase in the amount of authorised share capital) shall be under the control of the Directors who may (subject to Section 80 of the Act) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

- (b) In accordance with Section 91(1) of the Act ~~Sections 89(1)~~ and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- (c) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

SHARES

3. The lien conferred by Clause 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 presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.

4. 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 Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

SHARE CAPITAL

5. The original share capital is £240,000 divided into 1,200,000 "A" Ordinary Shares of 5 pence each and 3,600,000 "B" Ordinary Shares of 5 pence each. Save as hereinafter provided the "B" Ordinary Shares shall not entitle the holders to receive notice of or attend or vote at any general meeting. The participation of the "B" Ordinary Shares in the profits of the Company shall be as to 1% of the aggregate amount of dividend declared in respect of all other classes of Ordinary Shares. On a winding up the "B" Ordinary Shares shall rank pari passu with all other classes of Ordinary Shares for participation in the Company assets available for contributories and for receiving notice of and for attending and voting at meetings of contributories.

GENERAL MEETINGS AND RESOLUTIONS

6. (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 Clause 38 in Table A shall be modified accordingly.
- 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.

- (b) 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 notice 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.

- 7. (a) Clause 4C in Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence and the words "save in the case of the Principal Member which shall constitute a quorum on its own without the attendance of any other person" were added at the end of the second sentence.

- (b) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half

an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

- (c) Clause 41 in Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

- 8. (a) Clause 64-69 inclusive in Table A shall not apply to the Company.
- (b) The maximum number and minimum number respectively of 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 maximum number of Directors shall be twenty and the minimum number of Directors shall be two.
- (c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.
- (d) The Member who would on a poll of all holders of "A" Ordinary Shares be entitled to exercise more than 50 per cent of the votes ("the Principal Member") may appoint a board (the "Management Committee") to oversee and sanction all appointments of Directors made by the Board including approval of all the terms of such appointments, to prescribe regulations governing the exercise by the Directors of the

Company of their powers under these Articles and to monitor the due compliance by the Directors of the Company with such regulations, and the power to prescribe such regulations shall include the power to amend and replace or revoke the same.

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(e) No person shall be appointed a Director at any General Meeting unless either:-

(i) he is recommended by the Directors and approved by the Management Committee; or

(ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.

(f) Subject to paragraph (e) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

(g) 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 proposed appointment has been

approved by the Management Committee and the proposed appointment when made does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors for the time being in force.

- (h) The Management Committee shall have power from time to time and at any time to appoint any person as a Director or to remove from office any Director howsoever appointed. Every such appointment or removal shall be in writing and signed on behalf of the Management Committee and shall take effect upon delivery at the registered office of the Company.

POWERS OF DIRECTORS

- 9.
 - (a) Clause 70 of Table A shall be modified by substituting the first sentence thereof for the provisions set out in the following paragraph 9(b).
 - (b) Subject to the provisions of the Act, the Memorandum and the Articles and to any regulations prescribed by the Principal Member, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such regulations shall invalidate any prior act of the Directors which would have been valid if the alteration or those regulations (or amendment thereto or revocation thereof) had not been made.

- (c) No act, contract, payment or other matter whatsoever made or done by one or more Directors acting in breach of duty or warranty of authority in which one or more Directors is interested or shall have received a benefit to themselves personally shall be ratified or sanctioned by the Directors unless and until approval has first been obtained from the Members by ordinary resolution in general meeting. The Directors shall in seeking the approval of the Members in general meeting make available to the Members all relevant information including full details of the interest in and benefit received by such Director or Directors.
- (d) There shall be no power to appoint alternate Directors and accordingly Clauses 65-69 inclusive of Table A shall be excluded.

BORROWING POWERS

10. Subject to any regulations prescribed by the Principal Member under Paragraph 8(d) the Directors may exercise all the powers of the Company to borrow money without limit as to the amount and upon such terms and in such manner as they think fit, and subject as aforesaid and (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.

DISQUALIFICATION OF DIRECTORS

11. In addition to the grounds set out in Clause 81 of Table A, 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.

TRANSFER OF SHARES

12. 1 (a) Any shares which have been obtained by a member by virtue of an option granted by the Company under any share option scheme for employees generally or groups of employees (such shares and such member being referred to in these Articles as "Option Shares" and "Option Shareholder" respectively) shall upon the Option Shareholder ceasing employment with the Company for whatever reason be transferred to the Company or to such transferee as the Directors shall in their absolute discretion nominate (the "Nominated Transferee"). The price payable for the Option Shares so transferred shall be the fair value as was last determined by the auditors under Paragraph 12.3(b) for the 'A' Ordinary Shares.
- (b) An Option Shareholder proposing to transfer any Option Shares prior to ceasing employment with the Company shall do so by requiring the Company to purchase (or to procure a Nominated Transferee to purchase) the Option Shares by a written request served on the Company. Such written request shall

identify the number of Option Shares the Option Shareholder proposes to transfer and shall constitute an irrevocable instruction to the Company to purchase (or to procure the purchase as aforesaid). The price payable shall be as provided in Paragraph 12.1(a).

- (c) The Company shall pay (or shall procure that the Nominated Transferee shall pay) the price to the Option Shareholder (subject to any rights of set off) within 60 days of the date on which the Option Shareholder ceases to be employed by the Company or of the receipt by the Company of the written request in Paragraph 12.1(b) as the case may be. If the Option Shareholder makes default in executing the form of transfer required by the Company after having ceased employment with the Company or after having instituted the procedure in Paragraph 12.1(b), the Company may authorise a director to execute a transfer of such shares in favour of itself or the Nominated Transferee as appropriate.

- (d) In the event that the Company is unable to comply with the legal requirements necessary to duly authorise such purchase by the Company or has insufficient funds to effect such purchase out of distributable profits or the proceeds of a fresh issue of shares and does not procure the purchase by a Nominated Purchaser (for whatever reason) the Option Shares may be purchased on the same terms by the Principal Member. In the event that the Principal Member does not within 30 days of the expiry of the time limit in Paragraph 12.1(c)

agree to purchase such Option Shares, the Option Shareholder shall offer such shares in accordance with the provisions of Article 12.3(a)-(f).

- 12.2 (a) The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer which would otherwise be permitted under the succeeding provisions of this Article if it is a transfer:
- (i) of a share on which the Company has a lien;
 - (ii) of a share (not being a fully paid share) to a person of whom they shall not approve;
 - (iii) of a share (whether or not it is fully paid) otherwise than to a Purchasing Member (as hereinafter defined) or the Company.
- (b) The first sentence of Clause 24 in Table A shall not apply to the Company.
- 12.3 (a) Any person (hereinafter called "the Proposing Transferor") proposing to transfer any "A" Ordinary Shares (not being Option Shares unless the provisions of paragraph 12.1(d) apply nor shares comprising more than 50 per cent of the total number of issued "A" Ordinary Shares) shall give notice in writing (hereinafter called "the Transfer Notice") to the Company that he desires to transfer the same. The Transfer

Notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some of) the shares comprised in the Transfer Notice to any Member or Members willing to purchase the same (hereinafter called "the Purchasing Member") at the fair value certified by the auditor as hereinafter provided. A Transfer Notice shall not be revocable after the date three calendar months after the financial year end ("the Closing Date") except with the sanction of the Directors. The date and time of receipt by the Company of the Transfer Notice shall be recorded by the Company for the purposes of sub-paragraph (d) hereof.

- (b) The Company shall after each financial year end (unless the Directors consider it unnecessary to do so) instruct the auditors for the time being of the Company to certify in writing the sum which in their opinion represents the fair value of the "A" Ordinary Shares (expressed as a value per share and thus ignoring the size of any shareholding it is proposed to transfer) as at the financial year end as between a willing buyer and willing seller and ignoring the fact that particular provisions relate to the Option Shares in clause 12.1 and to the Principal Member's Shares in Clause 12.3(f). In certifying the fair value the auditors shall act as an expert and not as an arbitrator. The cost of obtaining the auditors' certificate shall be borne by the Company. The Directors shall procure so far as they are able that the auditors' certificate as aforesaid is given within 30 days after the Closing Date.

(c) Upon the price being determined as aforesaid, the shares comprised in all Transfer Notices received by the Company in the twelve months prior to the Closing Date shall be offered by the Company acting as agent of the Proposing Transferors to the Members (other than the Proposing Transferors and the Option Shareholders and the term "Members" for the purposes of this Article shall be construed accordingly) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing (hereinafter called "the Offer Notice") within fourteen days after the receipt by the Company of the auditors' certificate as to fair value. The Offer Notice shall state the price per share and shall limit the time in which the offer may be accepted not being more than twenty-one days after the date of the Offer Notice. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company together with payment to the Company in the appropriate amount (including payment in respect of any additional shares sought as hereinafter provided). The Offer Notice shall further invite each Member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the Members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares

already held by them respectively, provided that no Member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the Members in proportion to their existing holdings, the same shall be offered to the Members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit.

- (d) If Purchasing Members shall be found for shares comprised in the Transfer Notices within the appropriate period specified in paragraph (c) above, the Company shall not later than fourteen days after the expiry of such appropriate period give notice in writing (hereinafter called "the Sale Notice") to the relevant Proposing Transferors specifying the Purchasing Members and the Proposing Transferors shall be bound upon payment of the price due in respect of all the shares comprised in their respective Transfer Notices to transfer the shares to the Purchasing Members. Any shares not taken up by Purchasing Members shall be purchased by the Company provided that the Company is able to comply with the legal requirements necessary to duly authorise such purchase by the Company and has sufficient funds to effect such purchase out of distributable profits or the proceeds of a fresh issue of shares. Insofar as there are shares comprised in the Transfer Notices not taken up by Purchasing Members or by the Company the acceptances shall be deemed to relate

to the shares comprised in the Transfer Notices in the order in which Transfer Notices were received by the Company. No Proposing Transferor shall be required against his wishes to transfer some but not all the shares comprised in his Transfer Notice.

- (e) If in any case the Proposing Transferor after having become bound as aforesaid makes default in transferring any shares the Company may authorise a Director to execute a transfer of such shares in favour of the Purchasing Member. The receipt of the Company for the purchase money shall be a good discharge to the Purchasing Member. The Company shall pay the purchase money into a separate bank account. The Company shall as soon as practicable after the transfers have been effected refund any monies received from a Purchasing Member in excess of that required as payment for the shares transferred to him.

- (f) The foregoing provisions in Paragraph 12.3(a)-(e) shall not apply to:-

- (i) the "B" Ordinary Shares which may be transferred without being offered first to the other Members;

- (ii) a proposed transfer by one Member of 50 per cent or more of the total number of issued "A" Ordinary Shares. In the event of such a transfer being

proposed the Member shall use reasonable endeavours to obtain offers for the purchase of the remaining "A" Ordinary Shares of the other Members from the proposed transferee.

- (g) If a Member being an individual dies he shall be deemed to have given a Transfer Notice to the Company as at the date of his death in respect of all the shares (not being Option Shares) held by such Member. The preceding provisions of paragraph 12.3(a)-(f) shall thereon apply save that:-

- (i) such deemed Transfer Notice shall not be revocable;
- (ii) the date and time of the Member's death shall be treated as the time of receipt by the Company of the Transfer Notice;
- (iii) the deceased Member's personal representative(s) shall be bound to comply with the obligations of the Proposing Transferor set out therein.

VOTING AT GENERAL MEETINGS

13. (a) Clauses 46-52 inclusive and 54 of Table A shall not apply to the Company. Clause 56 of Table A shall be read as if the words "or by a show of hands or" were deleted.
- (b) All voting at general meetings (including adjourned General Meetings) of the Company shall be by way of poll of those Members attending such Meeting taken forthwith at the

Meeting. Subject to any rights or restrictions attached to any shares, on a poll every Member shall have one vote for every share of which he is the holder. Subject to the foregoing, the poll shall be taken in the manner the Chairman considers to be most convenient. Subject to the Chairman's discretion the Meeting may continue for the transaction of other business pending the declaration of the result of the poll. All references in the remaining provisions of Table A to a poll being demanded shall be taken as references to a poll required under these Articles to be taken.

- (c) Where a Member of the Company is a Principal Member (as defined in Paragraph 8(d)) the meeting shall not proceed with any business and shall stand adjourned until such later time and date as the Chairman shall determine unless and until the Principal Member is represented at the meeting and is able to exercise its votes either personally or by proxy. A Member which is a corporation shall attend and exercise votes at a General Meeting by its duly authorised representative.

CHAIRMAN

14. Article 42 of Table A shall be modified by the addition of the following after "Chairman" on the last line thereof:

"The approval of the Chairman (and appointment of an alternative in the case of disapproval) by the Members at the

General Meeting by Ordinary Resolution shall be the first item of business conducted at the General Meeting."

NOTICES

15. Article 115 of Table A shall be read as if the words "unless the contrary is proved" were deleted and the words "with first class postage" were added after the word "pre-paid".

REQUISITIONS OF MEETINGS

16. (a) Article 37 of Table A shall be modified as follows:

"pursuant to the provision of the Act" shall be deleted and "subject to the provisions of Paragraph 16(b) of the Company's Articles" shall be substituted in its place.

- (b) A requisition under Section 368 of the Act may be made by a single Member provided that Member otherwise complies with the provisions of Section 368(2)(a) as to shareholding and all references in that section to Members and requisitionists in the plural shall include a reference to a Member and a requisitionist in the singular. The Directors shall notwithstanding the time periods provided in Section 368 convene a meeting for a date not more than 21 days after receiving the requisition or as soon thereafter as is permissible to comply with Section 369(1) of the Act.

DIRECTORS

17. The following sentence shall be added to Article 88 of Table A.

"Notice in writing may be given to one Director in circumstances where the notices to other Directors have been given otherwise than in writing. A notice in writing to a Director who is also an employee of the Company calling a Board Meeting may be sufficiently given if sent to that Director by post to his normal residential address."

18. The provisions of Clause 115 of Table A shall apply additionally to notices to Directors calling a Board Meeting.

LONG SERVICE CONTRACTS

19. (a) Save as provided in Paragraph 19(b) the Directors shall not enter into any agreement for the employment (under a contract of service or a contract for services) of any person whether as a Director or otherwise where such person's employment is to continue or may be continued otherwise than at the instance of the Company (whether under the original agreement or under a new agreement) for a period of one year or more during which the employment:
- (i) cannot be terminated by the Company by notice; or
 - (ii) can be so terminated only in specified circumstances;
- or

(iii) can be so terminated but where the length of notice to be given to that person is of a period of one year or more.

(b) Such an Agreement as described in Paragraph 19 (a) shall be first approved by an ordinary resolution of the Company in general meeting. The Directors shall make available for inspection by the Members at such general meeting a written memorandum setting out the terms of the proposed agreement.

Names and addresses of Subscribers

1. MICHAEL JOHN ARCHER
Garrick House
27-32 King Street
Covent Garden
London WC2E 8JD
 2. NUZHAT TAPYA
Garrick House
27-32 King Street
Covent Garden
LONDON WC2E 8JD
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Dated this day of 1994

Witness to the above Signatures:-