

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

QUILTER HOLDINGS LIMITED

(Amended by a members' written resolution passed on
~~23 February~~ 2007)
30 March

PRELIMINARY

Table A

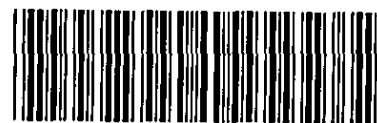
1. The regulations in Table A in the schedule to the Companies (Table A to F) Regulations 1985 as amended before the date of adoption of these articles (*Table A*) apply to the company except to the extent that they are excluded or modified by these articles

Table A exclusions

2. The following parts of Table A do not apply to the company

- (a) in regulation 1, the definitions of *the articles*, *executed* and *the seal*,
- (b) regulation 24,
- (c) regulations 60 and 61,
- (d) regulation 64,
- (e) regulations 65, 67 and 68,
- (f) regulation 72,
- (g) regulations 73 to 80 inclusive,

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- (h) regulations 88, 89 and 90,
- (i) regulations 94 to 98 inclusive,
- (j) regulation 101;
- (k) regulations 111 and 112, and
- (l) regulation 115.

Construction

3 In these articles

- (a) **articles** means these articles of association, incorporating Table A (as applicable to the company), as altered from time to time by special resolution, **auditors** means the auditors of the company, **director** means a director of the company, **the directors** means the directors or any of them acting as the board of directors of the company, **dividend** means dividend or bonus, **paid** means paid or credited as paid and **seal** means the common seal of the company and includes any official seal kept by the company by virtue of section 39 or 40 of the Act,
- (b) unless expressly defined in the articles, words or expressions that are defined in the Act bear the same meaning as in the Act but excluding any statutory modification of the Act not in force when the articles become binding on the company;
- (c) references to a document being executed include references to its being executed under hand or under seal or by any other method,
- (d) words denoting the singular number include the plural number and vice versa, words denoting the masculine gender include the feminine gender and words denoting persons include corporations;
- (e) headings and marginal notes are inserted for convenience only and do not affect the construction of these articles,
- (f) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them;
- (g) the word **directors** in the context of the exercise of any power contained in these articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the company to which or, as the case may be, to whom the power in question has been delegated,
- (h) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation, and

- (1) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these articles or under another delegation of the power

Single member

4 If at any time and for so long as the company has a single member, all the provisions of the articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company with a single member.

SHARE CAPITAL

Shares with special rights

5 Regulation 2 of Table A is amended by the addition at the end of the regulation of the words "or, subject to and in default of such determination, as the directors shall determine"

6 The share capital of the company on the adoption of these articles comprises "A" ordinary shares of 1p each (the "**A**" *Shares*), "B" ordinary shares of 1p each (the "**B**" *Shares*), new ordinary shares of 0.8303569p each (the *New Ordinary Shares*), ordinary shares of 1p each (the *Ordinary Shares*), 7 per cent. cumulative preference shares of £1 each (the *Preference Shares*) and deferred share(s) of 0.1466p each (the *Deferred Share(s)*)

7.1 The rights attaching to the Preference Shares are as follows

7.2 Out of the profits available for distribution and resolved to be distributed, the holders of the Preference Shares are entitled in priority to any payment of dividend to the holders of any other class of shares to be paid in respect of each financial year or other accounting period of the company a fixed cumulative preferential dividend (the *Preference Dividend*) at the rate of 7 per cent. per annum (exclusive of any associated tax credit available to shareholders) on the nominal capital for the time being paid up or credited as paid up thereon, such dividend to be paid half-yearly on 31 March and 30 September (or, if any such date shall be a Saturday, Sunday or public holiday in England, on the first business day following such date) (*fixed dividend dates*) in each year in respect of the half-years ending on those respective dates. Payments of Preference Dividends shall be made to holders on the register at any date selected by the Directors up to 42 days prior to the relevant fixed dividend date. The holders of the Preference Shares are not entitled, in respect of their holdings of Preference Shares, to any further right of participation in the profits of the company.

7.3 Except in the case of a return of capital resulting from conversion or redemption, on a return of capital on winding-up or otherwise the holders of the Preference Shares are entitled, in priority to any payment to the holders of any other class of shares, to the repayment of a sum equal to the nominal capital paid

up or credited as paid up on the Preference Shares held by them respectively together with a sum equal to all arrears and accruals (if any) of Preference Dividend irrespective of whether or not such dividend has been declared or become due and payable, to be calculated down to and including the date of commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case) The holders of the Preference Shares are not entitled, in respect of their holdings of Preference Shares, to any further right of participation in the assets of the company

7.4 The holders of the Preference Shares, by virtue of and in respect of their holdings of Preference Shares, have the right to receive notice of, attend, speak and vote at a general meeting of the company only

- (i) if and when, at the date of the notice convening such meeting, the Preference Dividend on such shares is six months or more in arrears (and so that for this purpose the Preference Dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods specified in paragraph 7.2 above), or
- (ii) if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares, or for the winding-up of the company, or for sanctioning the sale of the undertaking of the company, in which case they shall only be entitled to vote on such resolution.

7.5 Save as aforesaid, the Preference Shares do not confer on the holders thereof the right to receive notice of, attend, speak or vote at any general meeting of the company but they entitle the holders to receive copies of notices of general meetings for information only.

7.6 Whenever the holders of the Preference Shares are entitled to vote at a general meeting of the company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who is present in person or, being a corporation by a representative, has one vote and on a poll every holder thereof who is present in person or by proxy or, being a corporation by a representative, has one vote in respect of each fully-paid Preference Share registered in the name of such holder

8.1 The rights attaching to the Deferred Shares are as follows.

8.2 The holders of the Deferred Shares shall not be entitled to receive any dividend out of the profits of the company available for distribution and resolved to be distributed in respect of any financial year

8.3 On a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption or purchase by the company of any of its shares) the holders of the Deferred Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or specie) to the holders of the Ordinary Shares the amount of £10,000,000 in respect of each

share held by them respectively. The Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the company.

8.4 The holders of Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the company or to vote (either personally or by proxy) on any resolution to be proposed thereat.

8.5 The rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares or by any amendment or variation to the rights of any other class of shares of the company.

Section 80 authority

9 In place of all authorities in existence at the date of adoption of these articles, the directors are hereby generally and unconditionally authorised pursuant to section 80 of the Act to allot relevant securities (within the meaning of section 80) up to an aggregate nominal amount equal to the authorised share capital of the company at the date of adoption of these articles for a period expiring (unless previously renewed, varied or revoked by the company in general meeting) five years after the date of adoption of these articles.

Section 89 exclusion

10 The pre-emption provisions in section 89(1) of the Act and the provisions of sub-sections 90(1) to 90(6) inclusive of the Act shall not apply to any allotment of the company's equity securities.

Allotment after expiry

11 Before the expiry of the authority granted by article 9 the company may make an offer or agreement which would or might require relevant securities to be allotted after that expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if that authority had not expired.

Residual allotment powers

12. Subject to the provisions of articles 9, 10 and 11, regulation 3 of Table A, the provisions of the Act and to any resolution of the company in general meeting passed pursuant to those provisions

- (a) all unissued shares for the time being in the capital of the company (whether forming part of the original or any increased share capital) shall be at the disposal of the directors, and
- (b) the directors may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as they think fit.

SHARE CERTIFICATES

Execution of certificates

13. In the second sentence of regulation 6 of Table A, the words "sealed with the seal" are deleted and replaced by the words "executed under the seal or otherwise in accordance with the Act or in such other manner as the directors may approve"

TRANSFER OF SHARES

Registration of transfer

14 The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is fully paid or a share on which the company has a lien

GENERAL MEETINGS

Period of notice

15 Regulation 38 of Table A is amended.

- (a) by deleting from the first sentence "or a resolution appointing a person as a director", and
- (b) by adding at the end of paragraph (b) of regulation 38 "or such other majority as has been decided on by elective resolution of the members under the Act"

To whom must notice be given

16 Notices of general meetings need not be given to directors and regulation 38 of Table A is amended accordingly

Effectiveness of special and extraordinary resolutions

17. Where for any purpose an ordinary resolution of the company is required, a special or extraordinary resolution shall also be effective Where for any purpose an extraordinary resolution is required a special resolution shall also be effective.

VOTES OF MEMBERS

Appointment of proxy

18 An instrument appointing a proxy shall be in writing under the hand of the appointing member or his attorney or, if the appointing member is a corporation, either under its common seal or the hand of a duly authorised officer, attorney or other person authorised to sign it

Form of proxy

19 Instruments of proxy shall be in any usual form or in any other form which the directors may approve

Delivery of proxy

20 Regulation 62 of Table A is amended

- (a) in each of paragraphs (a), by the deletion of the words "deposited at" and the substitution for them of the words "left at or sent by post or facsimile transmission to",
- (b) in paragraph (a), by the deletion of the words "not less than 48 hours";
- (c) in paragraph (b), by the deletion of the words "deposited as aforesaid" and the substitution for them of the words "left at or sent by post or facsimile transmission to the office or to or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting", and
- (d) in paragraph (b), by the deletion of the words "not less than 24 hours".

Validity of form of proxy

21 An instrument appointing a proxy shall be deemed to include the right to demand, or join in demanding, a poll. The instrument of proxy shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting to which it relates or any adjournment of that meeting.

NUMBER OF DIRECTORS

Number of directors

22 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be not less than one but shall not be subject to any maximum in number. A sole director may exercise all the powers and discretions expressed by these articles to be vested in the directors generally.

ALTERNATE DIRECTORS

Power to appoint alternates

23 A director (other than an alternate director) may appoint any person willing to act, whether or not he is a director of the company, to be an alternate director and may remove from office an alternate director so appointed by him.

Alternates entitled to receive notice

24 Regulation 66 of Table A shall be amended by the deletion of the last sentence.

Alternates representing more than one director

25 A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote for every director whom he represents (and who is not present) 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.

Expenses and remuneration of alternates

26 An alternate director may be repaid by the company such expenses as might properly have been repaid to him if he had been a director but shall not be entitled to receive any remuneration from the company in respect of his services as an alternate director except 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. An alternate director shall be entitled to be indemnified by the company to the same extent as if he were a director.

Termination of appointment

27 An alternate director shall cease to be an alternate director

- (a) if his appointor ceases to be a director, or
- (b) if his appointor revokes his appointment pursuant to article 24; or
- (c) on the happening of any event which, if he were a director, would cause him to vacate his office as director; or
- (d) if he resigns his office by notice to the company

Method of appointment and revocation

28. Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment. The notice may be

- (a) delivered personally to the secretary or to a director other than the director making or revoking the appointment, or
- (b) sent by post in a prepaid envelope addressed to the office or to another address designated by the directors for that purpose or by leaving it at the office or such other address; or
- (c) sent by telex, facsimile or electronic mail to a number or address designated by the directors for that purpose

The appointment or removal shall take effect when the notice is deemed delivered in accordance with article 53 or article 54 (as the case may be) or on such later date (if any) specified in the notice

Exercise by company of voting rights

29 The directors may exercise the voting power conferred by the shares in any body corporate held or owned by the company in such manner in all respects as they think fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate)

DELEGATION OF DIRECTORS' POWERS

Committees of the directors

30 The directors may delegate any of their powers to any committee consisting of one or more directors. The directors may also delegate to any director holding any executive office such of their powers as the directors consider desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate all or any of the powers delegated to one or more directors (whether or not acting as a committee) or to any employee or agent of the company. Any such delegation may be made subject to such conditions as the directors may specify, and may be revoked or altered. Subject to any conditions imposed by the directors, the proceedings of a committee with two or more members shall be governed by these articles regulating the proceedings of directors so far as they are capable of applying.

Offices including the title "director"

31 The directors may appoint any person to any office or employment having a designation or title including the word "director" or attach such a designation or title to any existing office or employment with the company and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a director of the company, and the holder shall not

thereby be empowered in any respect to act as, or be deemed to be, a director of the company for any of the purposes of these articles.

APPOINTMENT AND REMOVAL OF DIRECTORS

Appointment and removal by holding company

32 The immediate holding company for the time being of the company (the **appointor**) may at any time and from time to time appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, and remove any director from office. Any appointment or removal of a director under this article shall be by notice to the company signed by or on behalf of the appointor (which may consist of several documents in the like form each signed by or on behalf of one or more appointors). The notice may be

- (a) delivered personally to the secretary or to a director other than the director being appointed or removed, or
- (b) sent by post in a prepaid envelope addressed to the office or to another address designated by the directors for that purpose or by leaving it at the office or such other address, or
- (c) sent by telex, facsimile or electronic mail to a number or address designated by the directors for that purpose

The appointment or removal shall take effect when the notice is deemed delivered in accordance with article 53 or article 54 (as the case may be) or on such later date (if any) specified in the notice

Appointment by the directors

33 The directors shall also have power to appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing directors, subject to any maximum for the time being in force, and any director so appointed shall hold office until he is removed in accordance with article 33 or under regulation 81 of Table A (as amended by these articles).

Retirement by rotation

34. The directors shall not be subject to retirement by rotation and all references in Table A (other than in regulations 73 to 80 which are excluded) to retirement by rotation are modified accordingly

Age limit

35 No person shall be disqualified from being appointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age nor shall it be necessary by reason of his age to give special notice under the Act of any resolution

DISQUALIFICATION OF DIRECTORS

Disqualification as a director

36. Regulation 81 of Table A is amended by adding before the final full stop the following words.

“ ; or

(f) he is removed in accordance with article 33, or

(g) he is requested to resign in writing by not less than three quarters of the other directors. In calculating the number of directors who are required to make such a request to the director, (i) an alternate director appointed by him acting in his capacity as such shall be excluded, and (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that the signature of either shall be sufficient ”

DIRECTORS' APPOINTMENTS AND INTERESTS

Directors may contract with the company

37 Regulation 85 of Table A is amended by deleting the words “Subject to the provisions of the Act, and” at the start of the first paragraph

BENEFITS AND INSURANCE

Insurance

38 Without prejudice to the provisions of regulation 118 of Table A, the directors may exercise all the powers of the company to purchase and maintain insurance for or for the benefit of any person who is or was

(a) a director, other officer, employee or auditor of the company, or any body which is or was the holding company or subsidiary undertaking of the company, or in which the company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the company or such holding company or subsidiary undertaking is or was in any way allied or associated, or

(b) a trustee of any pension fund in which employees of the company or any other body referred to in article 39(a) is or has been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund

Directors not liable to account

39 Without prejudice to the generality of regulation 85 of Table A, no director or former director shall be accountable to the company or the members for any benefit provided pursuant to regulation 87 of Table A or article 39. The receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.

Section 719 of the Act

40 Pursuant to section 719 of the Act, the directors are hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the company or any of its subsidiary undertakings in connection with the cessation or the transfer of the whole or part of the undertaking of the company or any subsidiary undertaking. Any such provision shall be made by a resolution of the directors in accordance with section 719.

PROCEEDINGS OF DIRECTORS

Convening meetings

41 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing or by telex, facsimile or electronic mail to him at his last known address or any other address given by him to the company for this purpose. It shall not be necessary to give notice of a directors' meeting to any director who is for the time being absent from the United Kingdom. Any director may waive notice of a meeting and any such waiver may be retrospective.

Voting

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

Quorum

43 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two, except when there is only one director. If there is only one director, he may exercise all the powers and discretions conferred on directors by these articles. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any director who ceases to be a director at a directors' meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the directors' meeting if no director objects.

Meetings by telephone, etc.

44. Without prejudice to the first sentence of article 42, a person entitled to be present at a meeting of the directors or of a committee of the directors shall be deemed to be present for all purposes if he is able (directly or by telephonic communication) to speak to and be heard by all those present or deemed to be present simultaneously. A director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is. The word *meeting* in these articles shall be construed accordingly.

Directors' power to vote on contracts in which they are interested

45. Without prejudice to his obligations of disclosure under the Act and the articles, a director may vote at any meeting of the directors or of a committee of the directors on, and be counted in the quorum present at a meeting in relation to, any resolution concerning a transaction or arrangement with the company or in which the company is interested, or concerning any other matter in which the company is interested, notwithstanding that he is interested in that transaction, arrangement or matter or has in relation to it a duty which conflicts or may conflict with the interests of the company.

THE SEAL, DEEDS AND CERTIFICATION

Authority required for execution of deed

46. The directors may determine who shall sign any instrument executed under the seal. If they do not, it shall be signed by at least one director and the secretary or by at least two directors. Any document may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the document or by applying the seal or a facsimile of it by any other means to the document. A document signed by a director and the secretary or by two directors and expressed (in whatever form of words) to be executed by the company has the same effect as if executed under the seal. For the purpose of the preceding sentence only, "secretary" shall have the same meaning as in the Act and not the meaning given to it by regulation 1 of Table A.

Official seal for use abroad

47. The company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad.

Certified copies

48. Any director or the secretary, or any person appointed by the directors for the purpose, shall have power to authenticate any documents affecting the constitution of the company and any resolutions passed by the company (or the

When notice by post deemed served

52 This article applies to any notice to be given to or by any person pursuant to the articles, including without limitation a notice under article 29 or article 33. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice sent by post shall be deemed given.

- (a) if sent by first class post from an address in the United Kingdom to another address in the United Kingdom, on the day following that on which the envelope containing it was posted,
- (b) if sent by the equivalent of first class post from an address in another country to another address in that country, on the day following that on which the envelope containing it was posted,
- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or to an address in the United Kingdom from an address outside the United Kingdom, on the third day following that on which the envelope containing it was posted, and
- (c) in any other case, on the fifth day following that on which the envelope containing it was posted.

When other notices deemed given

53 This article applies to any notice to be given to or by any person pursuant to the articles, including without limitation a notice under article 29 or article 33. A notice sent by telex, facsimile or electronic mail transmission shall be deemed given twelve hours after the time of despatch or at such earlier time as receipt is acknowledged. A notice left at an address shall be deemed given when delivered.