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MEMORANDUM OF ASSOCIATION *

of

THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC



- 1 The Company's name is The National Exhibition Centre (Developments) Plc
- 2 The Company is to be a public Company
- 3 The Company's registered office is situated in England and Wales
- 4 The Company's objects are.
 - (a) To develop finance construct operate and manage property at The National Exhibition Centre Birmingham including (without prejudice to the generality of the foregoing) accommodation and services and facilities for exhibitions lectures concerts shows and entertainments for commercial industrial educational scientific artistic sporting and leisure purposes and hotels shops restaurants garages offices warehouses theatres concert halls and other entertainment centres roads and all ancillary services
 - (b) To acquire and take over any businesses or undertakings carried on upon or in connection with any land or buildings which the Company may have acquired or desire or propose to acquire or carry on or dispose of remove or put an end to any such business or undertaking or otherwise deal with it as may seem expedient
 - (c) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated directly or indirectly to enhance the value or render more profitable any of the Company's property or assets
 - (d) To purchase or by any other means acquire any freehold, leasehold or other property or any estate or interest whatever and any rights privileges or easements over or in

* As amended by two special resolutions of the Company passed as written resolutions dated 13 May 1997



respect of any property and building offices factories mills works wharves roads railways tramways machinery engines rolling stock vehicles plant live and dead stock barges vessels or things and any form of real or personal property or rights which may be necessary for or may be conveniently used with or may enhance the value of any other property of the Company

- (c) To build construct maintain alter enlarge pull down and remove or replace any buildings offices factories mills works wharves roads railways tramways machinery engines walls fences banks dams sluices or watercourses and to clear sites for the same or to join with any person firm or company in doing any of these things and to work manage and control these or join with others in so doing
- (f) To apply for register purchase or by other means acquire and protect prolong and renew whether in the United Kingdom or elsewhere any patents patent rights brevets d'invention licenses trade marks designs protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to expend money in experimenting upon and testing and in improving or seeking to improve any patents inventions or rights which the Company may acquire or propose to acquire
- (g) To acquire the whole or any part of the business goodwill and assets of any person firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on and as part of the consideration for such acquisitions to accept all or any of the liabilities of such person firm or company or to acquire an interest in amalgamate with or enter into partnership or into any arrangement for sharing profits or for co-operation or for limiting competition or for mutual assistance with any such person firm or company and to give or accept by way of consideration for any of these acts or things or property acquired any Shares Debenture Debenture Stock or securities that may be agreed upon and to hold and retain or sell mortgage and deal with Shares Debentures Debenture Stock or securities so received

- (h) To improve manage cultivate develop exchange let on lease or otherwise mortgage charge sell dispose of turn to account grant rights and privileges in respect of or otherwise deal with all or any part of the property or rights of the Company
- (i) To invest and deal with the monies of the Company not immediately required in such shares or upon such securities and in such manner as may from time to time be determined
- (j) To lend and advance money or give credit to any company firm or person and to give all kinds of indemnities and either with or without the Company receiving any consideration or advantage direct or indirect for giving such guarantee to guarantee either by personal covenant or by mortgaging or charging all or any part of the undertaking property and assets present and future and uncalled capital of the Company or by any such method the performance of the obligations and the payment of the capital or principal (together with any premiums) of and the dividends or interest on any debenture stock shares or other securities of any company firm or person and in particular (but without limiting the generality of the foregoing) of any company which is for the time being the Company's holding company as defined by Section 736 of the Companies Act 1985 or a subsidiary as defined by the said Section of the Company or the Company's holding company or otherwise associated with the Company in business
- (k) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue of Debentures or Debenture Stock (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage charge or lien upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company of any obligation or liability that it may undertake
- (l) To effect contracts for the purpose of managing the risks arising from changes in interest rates currency rates or other factors which may affect the Company's business

- (m) To draw make accept endorse discount execute and issue promissory notes bills of exchange bills of trading warrants debentures and other negotiable or transferable instruments
- (n) To apply for promote and obtain any Act of Parliament provisional Order or Licence of the Board of Trade or other authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to the prejudice of the Company's interests
- (o) To enter into any arrangements with any Governments or authorities (supreme municipal local or otherwise) or any companies firms or persons that may seem conducive to the attainment of the Company's objects or any of them and to obtain from such Government authority company firm or person any charters contracts decrees rights privileges and concessions which the Company may think desirable and to carry out exercise and comply with any such charters contracts decrees rights privileges and concessions
- (p) To subscribe for take purchase or otherwise acquire and hold shares or other interests in or securities of any other company whether or not having objects altogether or in part similar to those of this Company or carrying on any business capable of being carried on so as directly or indirectly to benefit this Company
- (q) To act as agents or brokers and as trustees for any person firm or company and to undertake and perform sub-contracts and also to act in any of the businesses of the Company through or by means of agents brokers sub-contractors or others
- (r) To remunerate any person firm or company rendering services to this Company either by cash payment or by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient

- (s) To pay all or any expenses incurred in connection with the promotion formation and incorporation of the Company or to contract with any person firm or company to pay the same and to pay commissions to brokers and others for underwriting placing selling or guaranteeing the subscription of any Shares Debentures Debenture Stock or securities of this Company
- (t) To support and subscribe to any charitable or public objects any institution society or club which may be for the benefit of the Company or its employees or any such other company or person as mentioned below or may be connected with any town or place where the Company carries on business to give or award pensions annuities gratuities and superannuation or other allowances or benefits or charitable aid to any persons who are or have been Directors or Officers of or who are or have been employed by or who are serving or have served the Company or any company which is a subsidiary of the Company or is allied to or associated in business with the Company or with any such subsidiary company or any business acquired by the Company and to the wives widows children and other relatives and dependants of such persons to make payment towards insurance and to set up establish support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their wives widows children and other relatives and dependants
- (u) To promote any other company for the purpose of acquiring the whole or any part of the business or property and undertaking any of the liabilities of this Company or of undertaking any business or operations which may appear likely to assist or benefit this Company or to enhance the value of any property or business of this Company and to place or guarantee the placing of underwrite subscribe for or otherwise acquire all or any part of the shares or securities of any such Company
- (v) To sell or otherwise dispose of the whole or any part of the business or property of the Company either together or in portions for such consideration as the Company may think fit and in particular for shares debentures or securities of any company purchasing the same

- (w) To distribute among Members of the Company in kind any property of the Company and in particular any shares debentures or securities of any other company belonging to this Company or of which this Company may have the power of disposing
- (x) To procure the Company to be registered or recognised in any part of the world
- (y) To pay the premium in respect of any indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence default breach of trust or breach of duty of which they may be guilty in relation to the Company provided that such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or a breach of duty or which was committed by the Directors (or any of them) in reckless disregard of whether it was such a breach or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Directors (or any of them) in their capacity as such
- (z) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them

IT IS HEREBY EXPRESSLY DECLARED that each sub-clause of this Clause shall be construed independently of the other sub-clauses hereof and that none of the objects mentioned in any sub-clause shall be deemed to be merely subsidiary to the objects mentioned in any other sub-clause

- 5 The liability of the Members is limited
- 6 The share capital of the Company is £201,000 divided into 450 "A" ordinary shares of £1 each, 125 "B" ordinary shares of £1, 425 "C" ordinary shares of £1 each, 100,000 preferred shares of £[] each and 100,000 deferred shares of £1 each.

WE the subscriber to this Memorandum are desirous of being formed into a Company in pursuance of this Memorandum of Association and we agree to take the number of shares in the capital of the Company set out opposite our name

**NAME AND ADDRESS OF
SUBSCRIBER**

**NO OF SHARES TAKEN BY
SUBSCRIBER**

Sharon Ann Rostron
81 Shelley Drive
Four Oaks
Sutton Coldfield
West Midlands

ONE

Constance Price
6 Talbot Close
New Oscott
Birmingham
B73 SYD

ONE

DATED 1996

WITNESS to the above signature:

No. 3301940

THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
OF
THE NATIONAL EXHIBITION CENTRE
(DEVELOPMENTS) PLC

Incorporated the 14th day of January 1997

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
THE NATIONAL EXHIBITION CENTRE
(DEVELOPMENTS) PLC

(Adopted by Special Resolution passed on

19)

1. Preliminary

The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association. References herein to regulations are to regulations in the said Table A

2. Interpretation

(1) In the first line of regulation 1 after the word "regulations" the words "and in any articles adopting in whole or in part the same" shall be inserted

(2) In these Articles:

(a) unless the context otherwise requires the following expressions have the following meanings:

"Affiliate"

means a person firm or company which directly or indirectly controls is controlled by or is under common control with a person and includes a holding company of a person and all subsidiaries of such person and any such holding company

"the Act"

means the Companies Act 1985

"A Director"

means any director for the time being appointed and holding office pursuant to Article 11(1)

"A Shares"

means the "A" Ordinary Shares of £1.00 each in the share capital of the Company from time to time

"associated person"

means a person associated with Birmingham City Council within the meaning of Section 69 of the Local Government and Housing Act 1989 or any statutory modification amendment

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
THE NATIONAL EXHIBITION CENTRE
(DEVELOPMENTS) PLC

Adopted by Special Resolution passed on

19)

Preliminary

The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association. References herein to regulations are to regulations in the said Table A

Interpretation

- (1) In the first line of regulation 1 after the word "regulations" the words "and in any articles adopting in whole or in part the same" shall be inserted
- (2) In these Articles:
 - (a) unless the context otherwise requires the following expressions have the following meanings:

"Affiliate" means a person firm or company which directly or indirectly controls or is controlled by or is under common control with a person and includes a holding company of a person and all subsidiaries of such person and any such holding company

"the Act" means the Companies Act 1985

"A Director" means any director for the time being appointed and holding office pursuant to Article 11(1)

"A Shares" means the "A" Ordinary Shares of £1.00 each in the share capital of the Company from time to time

"associated person" means a person associated with Birmingham City Council within the meaning of Section 69 of the Local Government and Housing Act 1989 or any statutory modification amendment

- (3) A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the regulations or these Articles

Share Capital

- (1) The authorised share capital of the Company at the date of adoption of these Articles is £201,000 divided into 450 "A" Shares, 125 "B" Shares, 425 "C" Shares and 100,000 Preference Shares and 100,000 Deferred Shares all of £1 each. The "A" Shares, the "B" Shares and the "C" Shares shall be separate classes of shares and shall carry the respective voting rights and rights to appoint and remove directors and the "B" Shares shall not carry a right to participate in the profits of the Company or the assets of the Company available for distribution among the members but all other respects all the shares shall rank *pari passu* in all respects as Ordinary Shares
- (2) The rights attaching to the Preference Shares are as follows:-
- (A) As regards income and capital
- (a) the Preference Shares will carry no right to any dividend or otherwise to participate in the profits of the Company
- (b) on a liquidation or return of capital (otherwise than on a purchase by the Company of any of its shares) the assets of the Company available for distribution among the Members shall be applied in priority to any payment to the holders of any other class of shares in repayment of the amount paid up or credited as paid up on the Preference Shares
- (c) the Preference Shares shall not be entitled to participate further in a liquidation or return of capital
- (B) As regards redemption
- (a) the Company shall have the right at any time subject to the provisions of the Act to redeem the whole or any number (being 10,000 or a whole number multiple thereof) of the Preference Shares for the time being issued and outstanding upon giving to the holders of the Preference Shares not less than one month's previous notice in writing
- (b) any redemption shall be preceded by a notice of redemption which shall specify the particular shares to be redeemed, the date fixed for redemption and the place in the United Kingdom at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Preference Shares which are not to be redeemed on that occasion a fresh certificate for such shares shall be issued to the holder delivering such certificate to the Company
- (c) there shall be paid on each Preference Share redeemed the amount paid up or credited as paid up thereon; and
- (d) the Preference Shares shall not be redeemable save at the time and in the manner hereinbefore provided

- (3) A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the regulations or these Articles

3. Share Capital

- (1) The authorised share capital of the Company at the date of adoption of these Articles is £201,000 divided into 450 "A" Shares, 125 "B" Shares, 425 "C" Shares and 100,000 Preference Shares and 100,000 Deferred Shares all of £1 each. The "A" Shares, the "B" Shares and the "C" Shares shall be separate classes of shares and shall carry the respective voting rights and rights to appoint and remove directors and the 'B' Shares shall not carry a right to participate in the profits of the Company or the assets of the Company available for distribution among the members but all other respects all such shares shall rank *pari passu* in all respects as Ordinary Shares
- (2) The rights attaching to the Preference Shares are as follows:-
- (A) As regards income and capital
- (a) the Preference Shares will carry no right to any dividend or otherwise to participate in the profits of the Company
- (b) on a liquidation or return of capital (otherwise than on a purchase by the Company of any of its shares) the assets of the Company available for distribution among the Members shall be applied in priority to any payment to the holders of any other class of shares in repayment of the amount paid up or credited as paid up on the Preference Shares
- (c) the Preference Shares shall not be entitled to participate further in such liquidation or return of capital
- (B) As regards redemption
- (a) the Company shall have the right at any time subject to the provisions of the Act to redeem the whole or any number (being 10,000 or a whole number multiple thereof) of the Preference Shares for the time being issued and outstanding upon giving to the holders of the Preference Shares not less than one month's previous notice in writing
- (b) any redemption shall be preceded by a notice of redemption which shall specify the particular shares to be redeemed, the date fixed for redemption and the place in the United Kingdom at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Preference Shares which are not to be redeemed on that occasion a fresh certificate for such shares shall be issued to the holder delivering such certificate to the Company
- (c) there shall be paid on each Preference Share redeemed the amount paid up or credited as paid up thereon; and
- (d) the Preference Shares shall not be redeemable save at the time and in the manor hereinbefore provided

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| | or re-enactment thereof for the time being in force |
| "B Director" | means any director for the time being appointed and holding office pursuant to Article 11(2) |
| "B Shares" | means the "B" Ordinary Shares of £1.00 each in the share capital of the Company from time to time |
| "C Shares" | means the "C" Ordinary Shares of £1.00 each in the share capital of the Company from time to time |
| "C Director" | means any director for the time being appointed and holding office pursuant to Article 11(3) |
| "deemed transfer notice" | means a transfer notice deemed to be given under any provision of these Articles |
| "Deferred Shares" | means the deferred shares of £1 each in the capital of the Company |
| "Ordinary Shares" | means ordinary shares of £1.00 each in the share capital of the Company from time to time |
| "paid up" | means, in relation to a share, that such share is paid up or credited as paid up |
| "Preference Shares" | means preference shares of £1.00 each in the share capital of the Company from time to time |
| "the prescribed percentage" | means 19 per centum |
| "share" | means a share in the capital of the Company of whatever class |
| (b) | words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of adoption of these Articles |
| (c) | words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships |
| (d) | reference to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears |

(C) As regards voting and general meetings

- (a) the holders of the Preference Shares shall (by virtue of or in respect of their holdings of Preference Shares) have the right to receive notice of every General Meeting of the Company but shall not have the right to attend, speak, or vote at any General Meeting of the Company

(D) As regards other matters

- (a) save with the consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares the Company shall not:-
- (i) issue any shares ranking in some or all respects in priority to or pari passu with the Preference Shares; or
 - (ii) make any alteration to the Memorandum of Association of the Company or of these Articles in a manner which directly affects such shares; or
 - (iii) make any distribution to its Members of a capital nature or out of capital profits or capital reserves; or
 - (iv) redeem or purchase out of profits of the Company available for distribution any shares in the capital of the Company

(3) The rights attaching to the Deferred Shares are as follows:-

(A) As regards income

The holders of the Deferred Shares as a class shall be entitled to receive out of the Company's profits available for distribution in each financial period the aggregate sum of £1 if, but only if the consolidated accounts of the Company and its subsidiaries for the financial accounting period in question show distributable profits after the deduction of tax and all other amounts charged to the profit and loss account in excess of £500,000,000

(B) As regards capital

On a winding up or other return of capital the surplus assets of the company available for distribution shall subject to the holders of the Ordinary Shares having received by way of a return of capital an amount equal to £500,000,000 next be used in paying to the holders of the Deferred Shares the sum of £1 for each Deferred Share held

(C) As regards voting and general meetings

Notwithstanding the provisions of these Articles or of Section 125 of the Act the holders of the Deferred Shares shall not (as such) be entitled to receive notice of or attend and vote at general or other meetings of the Company and their consent shall not under any circumstances whatsoever be required in relation to the variation, abrogation or other alteration to any rights attaching to any class of shares (including the Deferred Shares) in the capital of the Company

(D) As regards transfers

The Deferred Shares shall not be transferable

4. Transfer of Shares

- (1) The directors shall refuse to register the transfer of any share unless such transfer is approved in writing by all the members

5. Proceedings at General Meetings

- (1) The member or members entitled for the time being to the "A" Shares and the member or members entitled for the time being to the "C" Shares present in person by their duly authorised representatives or by proxy shall be a quorum. Regulation 40 shall be modified accordingly
- (2) Regulation 41 shall be read as if the words "and if at the adjourned meeting such quorum is not present within half an hour from the time appointed therefor, or if during the meeting a quorum ceases to be present, any two members shall become a quorum but failing such new quorum such adjourned meeting shall be dissolved" were added to the end thereof
- (3) In regulation 44 the words "of the class of shares the holders of which appointed him as director" shall be substituted for the words "any class of shares in the company"
- (4) An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative
- (5) The chairman of a general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply

6. Written Resolutions

Any such resolution in writing as is referred to in regulation 53 may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative

7. Votes of Members

- (1) Subject as provided below in this paragraph and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who is present by a duly authorised representative shall have one vote and on a poll every member shall have one vote for every share of which he is the holder; Provided that any resolution put to the vote at a meeting which if passed would be a special or extraordinary resolution of the Company shall be decided on a poll and Regulation 46 shall be modified accordingly
- (2) Regulation 54 shall not apply
- (3) The words "be produced at the meeting to which they relate" shall be substituted for the words following "may" in line 3 of Regulation 62

8. Number of Directors

The directors shall be not more than six in number of which not more than three may be appointed by the holders for the time being of the "A" Shares, not more than one may be

(D) As regards transfers

The Deferred Shares shall not be transferable

Transfer of Shares

- (1) The directors shall refuse to register the transfer of any share unless such transfer is approved in writing by all the members

Proceedings at General Meetings

- (1) The member or members entitled for the time being to the "A" Shares and the member or members entitled for the time being to the "C" Shares present in person by the duly authorised representatives or by proxy shall be a quorum. Regulation 40 shall be modified accordingly
- (2) Regulation 41 shall be read as if the words "and if at the adjourned meeting a quorum is not present within half an hour from the time appointed therefor, during the meeting a quorum ceases to be present, any two members shall become a quorum but failing such new quorum such adjourned meeting shall be dissolved" were added to the end thereof
- (3) In regulation 44 the words "of the class of shares the holders of which appointed him as director" shall be substituted for the words "any class of shares in the company"
- (4) An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or authorised representative
- (5) The chairman of a general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply

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- (2) Regulation 54 shall not apply
- (3) The words "be produced at the meeting to which they relate" shall be substituted for the words following "may" in line 3 of Regulation 62

Number of Directors

The directors shall be not more than six in number of which not more than three may be appointed by the holders for the time being of the "A" Shares, not more than one may

appointed by the holders for the time being of the "B" Shares and not more than two may be appointed by the holders for the time being of the "C" Shares

9. Alternate Directors

- (1) Any director (other than an alternate director) may at any time appoint any person (including another director) to be an alternate director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be effected in like manner as provided in Article 11(5). The same person may be appointed as the alternate director of more than one director
- (2) The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor ceases to be a director
- (3) An alternate director shall be entitled to receive notice of all meetings of the directors and of any committee of the directors of which his appointor is a member and shall be entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present as if he were an "A" Director, a "B" Director or a "C" Director (as the case may be) and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director of the relevant class. If any alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative, and for the purpose of determining whether a quorum is present, he shall be deemed to be present in respect of each such director. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. An alternate director shall not (save as aforesaid) have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles
- (4) An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration 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
- (5) Regulations 65 to 67 shall not apply to the Company

10. Delegation of Directors' Powers

The second sentence of Regulation 72 shall not apply to the Company

11. Appointment and Retirement of Directors

- (1) The holders of a majority of the "A" Shares shall be entitled by notice in writing to the Company to appoint three directors and by like notice to remove such directors and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed. Any director so appointed shall be an "A" Director
- (2) The holders of a majority of the "B" Shares shall be entitled by notice in writing to the Company to appoint one director and by like notice to remove such director and at any time and from time to time by like notice to appoint any other person to be a director

in the place of the director so removed. Any director so appointed shall be a "B" Director

- (3) The holders of a majority of the "C" Shares shall be entitled by notice in writing to the Company to appoint two directors and by like notice to remove such directors and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed. Any director so appointed shall be a "C" Director
- (4)
 - (a) On any resolution under Section 303 of the Act to remove an "A" Director every member holding "A" Shares shall be entitled to 10 votes for every "A" Share of which he is the holder;
 - (b) On any resolution under Section 303 of the Act to remove a "B" Director every member holding "B" Shares shall be entitled to 10 votes for every "B" Share of which he is the holder
 - (c) On any resolution under Section 303 of the Act to remove a "C" Director every member holding "C" Shares shall be entitled to 10 votes for every "C" Share of which he is the holder
- (5) A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgement at the office or on delivery to a meeting of the directors or on delivery to the secretary
- (6) Every director appointed pursuant to this Article shall hold office until he is either removed in manner provided by this Article or dies or vacates office pursuant to regulation 81 (as modified by Article 17) and neither the company in general meeting nor the directors shall have power to fill any such vacancy
- (7) Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine
- (8) The directors shall not be subject to retirement by rotation and accordingly regulation 73 to 75 shall not apply and all other references in the regulations to retirement by rotation shall be disregarded
- (9) No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply

12. Disqualification and Removal of Directors

Regulation 81 shall be modified by deleting paragraph (e) thereof. The office of a director shall also be vacated if he shall be removed from the office as provided in Article 11

13. Associated Persons

- (1) An associated person may not be appointed as a director otherwise than by the holders of a majority of the "A" Shares
- (2) A person who is an associated person may not be appointed as a director if the number of directors who are associated persons thereby exceeds the prescribed percentage of the total number of directors
- (3) A director who was not an associated person at the time of his appointment as a director shall vacate office automatically and be deemed to have done so on the date

in the place of the director so removed. Any director so appointed shall be a "C" Director

- (5) The holders of a majority of the "C" Shares shall be entitled by notice in writing to the Company to appoint two directors and by like notice to remove such directors and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed. Any director so appointed shall be a "C" Director
- (6)
 - (a) On any resolution under Section 303 of the Act to remove an "A" Director, every member holding "A" Shares shall be entitled to 10 votes for every Share of which he is the holder;
 - (b) On any resolution under Section 303 of the Act to remove a "B" Director, every member holding "B" Shares shall be entitled to 10 votes for every Share of which he is the holder
 - (c) On any resolution under Section 303 of the Act to remove a "C" Director, every member holding "C" Shares shall be entitled to 10 votes for every Share of which he is the holder
- (7) A notice of appointment or removal of a director pursuant to this Article shall be in effect upon lodgement at the office or on delivery to a meeting of the directors or delivery to the secretary
- (8) Every director appointed pursuant to this Article shall hold office until he is removed or removed in manner provided by this Article or dies or vacates office pursuant to regulation 81 (as modified by Article 17) and neither the company in general meeting nor the directors shall have power to fill any such vacancy
- (9) Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine
- (10) The directors shall not be subject to retirement by rotation and accordingly regulations 73 to 75 shall not apply and all other references in the regulations to retirement by rotation shall be disregarded
- (11) No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply

Disqualification and Removal of Directors

Regulation 81 shall be modified by deleting paragraph (e) thereof. The office of a director shall also be vacated if he shall be removed from the office as provided in Article 11

Associated Persons

- (1) An associated person may not be appointed as a director otherwise than by the resolution of a majority of the "A" Shares
- (2) A person who is an associated person may not be appointed as a director if the number of directors who are associated persons thereby exceeds the prescribed percentage of the total number of directors
- (3) A director who was not an associated person at the time of his appointment as a director shall vacate office automatically and be deemed to have done so on the day

preceding the day on which he becomes an associated person if (but only if) by reason of his becoming an associated person the number of directors who are associated persons would exceed the prescribed percentage of the total number of directors

14. Remuneration of Directors

Regulation 82 shall not apply to the Company

15. Proceedings of Directors

- (1) Unless otherwise agreed to by the Board of Directors meetings of the Board shall be held at least once every quarter provided that any holder of "A" Shares, "B" Shares and "C" Shares may requisition a meeting in the United Kingdom at any other time by serving not less than seven days prior written notice on each Director
- (2) During periods when there are for whatever reason, no "A" Directors or no "C" Directors the quorum for the transaction of business of the Directors shall be any two Directors and otherwise:
 - (a) the quorum for the transaction of the business of the directors shall be three of whom one shall be an "A" Director and one a "C" Director (or in each case an alternate of such Director duly appointed under these Articles) and
 - (b) any committee of the directors shall include at least one "A" Director and one "C" Director (or in each case an alternate of such Director as aforesaid) and the quorum for the transaction of the business of any such committee shall be two of whom one shall be an "A" Director and one a "C" Director; but
 - (c) any two Directors may act for the purpose of summoning a General Meeting of the Company or a meeting of the holders of any class of Shares but for no other purpose
- (3) In the event that at any duly convened meeting of the directors or of any committee of the directors the meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be 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 an "A" Director and a "C" Director may agree in writing) and at such adjourned meeting the quorum shall be any three directors. Regulation 89 shall not apply to the Company
- (4) Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) to hear at all times such Director and such Director to hear at all time all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum
- (5) All business arising at any meeting of the directors or of any committee of the directors shall be determined only by resolution passed by a majority of votes. Each director who is an associated person shall have one vote and each director who is not an associated person shall have one vote or if greater a number of votes (including fractions of a vote) calculated by reference to the following formula:-

$$\frac{4x + 1}{y}$$

y

where

"x" is the number of the directors present at the meeting who are associated persons;

and

"y" is the number of directors present at the meeting who are not associated persons.

- (6) No chairman shall have a casting vote. Regulation 88 shall be modified accordingly.
- (7) Unless otherwise agreed in writing by an "A" Director and a "C" Director in any particular case, at least 7 clear days' notice in writing shall be given to each director of every meeting of the directors, except any absent from the United Kingdom for the time being who has either (a) nominated an alternate resident in the United Kingdom as entitled to receive notice on his behalf or (b) failed to furnish the Company with an address abroad to which such notices may be forwarded. The third sentence of Regulation 88 shall not apply to the Company
- (8) Regulation 111 shall be read as if the words "except that a notice calling a meeting of the directors need not be in writing" were deleted therefrom
- (9) Each such notice shall (a) be sent to the address notified from time to time by each director to the secretary (or, if there is none at that time, the chairman) as his address for the service of such notices (or if no address has been so supplied, to his last known address); (b) contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting; (c) be accompanied by any relevant papers for discussion at such meeting; and (d) if sent to an address outside the United Kingdom, be sent by courier, telex or facsimile transmission
- (10) Save as provided in paragraph (3), any such notice may be delivered personally or by first class prepaid letter and shall be deemed to have been served if by delivery when delivered and if by first class letter 48 hours after posting
- (11) Except as may be agreed by an "A" Director and a "C" Director in any particular case, no business or resolution shall be transacted or passed at any meeting of the directors except as was fairly disclosed in the agenda for such meeting
- (12) Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors as soon as reasonably practicable after the meeting shall have been held
- (13) Without prejudice to the obligation of a director to disclose his interest in accordance with Section 317 of the Act a director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with the Company may vote in respect of any such transaction or arrangement or proposed transaction or arrangement or any matter arising thereout and if he does so vote his vote shall be counted and he shall be capable of constituting a quorum at any meeting of the directors at which any such transaction or arrangement or proposed transaction or arrangement shall come before the board of directors for consideration and may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 85 and 94 to 97 shall not apply

where

"x" is the number of the directors present at the meeting who are associated persons;

and

"y" is the number of directors present at the meeting who are not associated persons.

- (6) No chairman shall have a casting vote. Regulation 88 shall be modified accordingly
- (7) Unless otherwise agreed in writing by an "A" Director and a "C" Director in any particular case, at least 7 clear days' notice in writing shall be given to each director at every meeting of the directors, except any absent from the United Kingdom for the time being who has either (a) nominated an alternate resident in the United Kingdom as entitled to receive notice on his behalf or (b) failed to furnish the Company with an address abroad to which such notices may be forwarded. The third sentence of Regulation 88 shall not apply to the Company
- (8) Regulation 111 shall be read as if the words "except that a notice calling a meeting of the directors need not be in writing" were deleted therefrom
- (9) Each such notice shall (a) be sent to the address notified from time to time by each director to the secretary (or, if there is none at that time, the chairman) as his address for the service of such notices (or if no address has been so supplied, to his last known address); (b) contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting; (c) be accompanied by any relevant papers for discussion at such meeting; and (d) if sent to an address outside the United Kingdom, be sent by courier, telex or facsimile transmission
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- (12) Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors as soon as reasonably practicable after the meeting shall have been held
- (13) Without prejudice to the obligation of a director to disclose his interest in accordance with Section 317 of the Act a director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with the Company may vote in respect of any such transaction or arrangement or proposed transaction or arrangement or any matter arising thereout and if he does so vote his vote shall be counted and he shall be capable of constituting a quorum at any meeting of the directors at which any such transaction or arrangement or proposed transaction or arrangement shall come before the board of directors for consideration and may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 85 and 94 to 97 shall not apply

- (14) Each member shall be entitled at any time to appoint any person to attend meetings of the Directors and any committee of the Directors as an observer and the person so appointed shall be given notice of and be entitled to attend any and all such meetings and to speak provided however that such person shall not be entitled in any circumstances to vote. Each member at any time and from time to time remove any person it may appoint as an observe and appoint another person in his place

Borrowing Powers

The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to the provisions otherwise provided in these Articles 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

Acts Requiring Consent

The Company shall not without the approval of a duly authorised representative of the Shareholders and the "C" Shareholder (which may be an "A" Director or a "C" Director or in either case their duly appointed alternates present at a meeting of the Board of Directors) do any of the following matters:-

- (a) enter into any material contract outside the ordinary course of its business or whereby any person would or might receive remuneration calculated by reference to its income or profits (other than an agreement to be entered into between the Company and the National Exhibition Centre Limited not later than 30 days after the date of the adoption of these Articles relating to new exhibition halls to be constructed at the National Exhibition Centre ("the Management Agreement")
- (b) enter into any contract or arrangement (whether legally binding or not) between the Company and any member or any Affiliate of a member (except any such as may be entered into after the period of 30 days after the date of the adoption of these Articles between the Company and any member or any third party or pursuant to any such contract) or into any material variation to any such contract
- (c) make any material change in the nature of the Company's business or commence any new business not being ancillary or incidental to the business conducted or intended to be conducted at the date of adoption of these Articles
- (d) incur revenue expenditure in excess of £100,000 in any financial year or enter into any transaction or series of related transactions (whether at one time or over a period of time) involving the incurring of any capital expenditure or the disposal of any capital asset or assets and which involves a total outlay or receipt of more than £20,000.00 on any one item or project or more than £50,000.00 aggregate expenditure in any financial year of the Company (or such other sums in each case as the holders of the "A" Shares and "C" Shares may from time to time agree in writing) but excluding transactions authorised expressly or implied by the then budget or in the Management Agreement; for these purposes, expenditure shall be deemed to be "capital expenditure" and an asset shall be deemed to be a "capital asset" if, in either case, it would be treated as such in accounts prepared in accordance with accounting principles generally accepted in the United Kingdom save that in respect of any item acquired on lease, hire purchase, credit or deferred sale terms there shall be included as capital expenditure the capital value of any such item determined on an open market basis
- (e) appoint or remove any person as the Employer's Representative pursuant to a building contract to be entered into between the Company and John Laing Limited ("the Building Contract") not later than 30 days after the date of the adoption of these

Articles (whether as an employee or consultant) or appoint any additional persons as employees or consultants where the budget for such costs for that year would be exceeded

- (f) arrange any overdraft or other borrowing facilities including interest swap cap or collar arrangements leases and advances or deferred payments for the acquisition of assets in either case primarily as a method of raising finance or financing the acquisition of an asset other than those provided for by loan stock issued by the Company not later than 30 days after the date of the adoption of these Articles ("the Loan Stock") or any Loan Note to be issued by the Company in accordance with an agreement to be entered into by the Company and its members not later than 30 days after the date of the adoption of these Articles ("the Shareholders' Agreement")
- (g) lend or make any advance or give any credit (other than normal trade credit) to any person (other than deposits with the Company's bankers) or make any changes in the Company's banking arrangements or facilities (including changes in bank mandates)
- (h) acquire or invest in another Company or business or incorporate any subsidiary or dispose of any subsidiary so incorporated
- (i) create or allow to subsist any mortgage charge lien or other encumbrance over the Company's assets except as may be required to facilitate or which may be otherwise incidental to the issue of the Loan Stock
- (j) without prejudice to the provisions of the Shareholders' Agreement commence any legal or arbitration proceedings (other than routine debt collection)
- (k) subject as otherwise expressly provided in the Shareholders' Agreement permit any delegation by the Directors of any of their powers to any director or committee of directors or to any other person whatsoever other than as provided for in an existing contract
- (l) sell transfer lease assign or otherwise dispose of a material part of the undertaking property or assets of the Company or any interest therein or contract to do so otherwise than in the ordinary course of its business
- (m) permit the Company to enter into any partnership joint venture or profit sharing arrangement with any third party
- (n) appoint or remove any additional director of the Company (but without prejudice to the rights of the members pursuant to the Shareholders' Agreement and these Articles)
- (o) give any guarantee, indemnity or security in respect of the obligations of any other person
- (p) issue or consent to the transfer otherwise than in accordance with these Articles of, or the granting of options over, any shares, renounceable allotment letters, debentures or other securities of the Company or any reorganisation of the Company's share capital or create any new shares debentures or other securities of the Company
- (q) alter any rights attaching to any class of shares or consolidate, sub-divide or convert the Company's share capital or in any way alter the rights attaching thereto
- (r) alter the Company's Memorandum or Articles of Association

- (14) Each member shall be entitled at any time to appoint any person to attend meetings of the Directors and any committee of the Directors as an observer and the person so appointed shall be given notice of and be entitled to attend any and all such meetings and to speak provided however that such person shall not be entitled in any circumstances to vote. Each member at any time and from time to time remove any person it may appoint as an observe and appoint another person in his place

16. Borrowing Powers

The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject as otherwise provided in these Articles 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

17. Acts Requiring Consent

The Company shall not without the approval of a duly authorised representative of the "A" Shareholders and the "C" Shareholder (which may be an "A" Director or a "C" Director or in either case their duly appointed alternates present at a meeting of the Board of Directors) carry out any of the following matters:-

- (a) enter into any material contract outside the ordinary course of its business or whereby any person would or might receive remuneration calculated by reference to its income or profits (other than an agreement to be entered into between the Company and The National Exhibition Centre Limited not later than 30 days after the date of the adoption of these Articles relating to new exhibition halls to be constructed at the National Exhibition Centre ("the Management Agreement")
- (b) enter into any contract or arrangement (whether legally binding or not) between the Company and any member or any Affiliate of a member (except any such as may be entered into after the period of 30 days after the date of the adoption of these Articles between the Company and any member or any third party or pursuant to any such contract) or into any material variation to any such contract
- (c) make any material change in the nature of the Company's business or commence any new business not being ancillary or incidental to the business conducted or intended to be conducted at the date of adoption of these Articles
- (d) incur revenue expenditure in excess of £100,000 in any financial year or enter into any transaction or series of related transactions (whether at one time or over a period of time) involving the incurring of any capital expenditure or the disposal of any capital asset or assets and which involves a total outlay or receipt of more than £20,000.00 on any one item or project or more than £50,000.00 aggregate expenditure in any financial year of the Company (or such other sums in each case as the holders of the "A" Shares and "C" Shares may from time to time agree in writing) but excepting transactions authorised expressly or implied by the then budget or in the Management Agreement; for these purposes, expenditure shall be deemed to be "capital expenditure" and an asset shall be deemed to be a "capital asset" if, in either case, it would be treated as such in accounts prepared in accordance with accounting principles generally accepted in the United Kingdom save that in respect of any item acquired on lease, hire purchase, credit or deferred sale terms there shall be included as capital expenditure the capital value of any such item determined on an open market basis
- (e) appoint or remove any person as the Employer's Representative pursuant to a building contract to be entered into between the Company and John Laing Limited ("the Building Contract") not later than 30 days after the date of the adoption of these

- (s) vary the terms of the Building Contract or approve the issue of variations to the Works or the period within which the Works are to be carried out in accordance with the Building Contract
- (t) do or permit to be done anything whereby the Company may be wound up

18. Accounts and Information

Every member shall be entitled, either himself or through his agents duly authorised in writing, during the Company's normal hours of business to inspect and take copies of the books of account and all other records and documents of the Company and of any subsidiary on giving reasonable prior notice to the secretary (or, if there is none for the time being, the chairman). The Company shall give each such member all such facilities as he may reasonably require for such purposes including the use of copying facilities. The Company may make a reasonable charge for any copies taken but otherwise shall not charge for any facilities requested as aforesaid. Regulation 109 shall not apply

19. Notices

- (1) In regulation 112 the words "or in such other manner as the directors may approve" shall be added at the end of the first sentence
- (2) The words "A notice sent by telex or facsimile shall be deemed to be given at the time when the same was acknowledged by answerback" shall be added at the end of regulation 115

20. Indemnity

Subject to the provisions of the Act but without prejudice to any other indemnity to which a director may otherwise be entitled, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or allege to have been done or omitted by him as an officer or employee 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 respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply