

COMPANY NUMBER 3427512

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CHALLENGER (NORWICH) LIMITED

Adopted by Special Resolution of the Company on 17 February 2005

PRELIMINARY

- 1.1 The Regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as that Schedule was in force on the date of adoption of these Articles (hereinafter called "Table A") shall apply to the Company save to the extent that they are excluded by or are inconsistent with any of these Articles.
- 1.2 Regulations 5, 8, 24, 26, 54, 64, 73 to 81 (inclusive), 89, 94 to 98 (inclusive) and 118 of Table A shall not apply to the Company.

INTERPRETATION

2. Regulation 1 of Table A shall apply to these Articles as it applies to the Regulations in Table A

SHARE CAPITAL

- 3.1 The share capital of the Company at the date of the adoption of these articles is £188,500 divided into 188,500,000 ordinary shares of 0.1p each ("Ordinary Shares")
- 3.2 The Ordinary Shares shall rank pari passu in all respects and be regarded as one class of share.

WEDNESDAY



- 3.3 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the consent in writing of the holders of more than one-half of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person, his proxy or duly authorised representative of such shareholder (but so that if, at any adjourned meeting of such holders, a quorum as above defined is not present those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.
- 3.4 For the period of five years from the date of incorporation of the Company, all shares at the date of incorporation created and unissued (of whatever class) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons (including any Director) on such terms and conditions and at such time or times as the Directors may think fit and the Directors may grant to any person or persons (including any Director) the right to subscribe for, or to convert any security into, shares in the Company either at par or at a premium, and for such time and for such consideration as the Directors may think fit
- 3.5 In accordance with Section 91 of the Act, Sections 89(1) and 90(1) to (6) inclusive of the Act shall be excluded from applying to the Company.
- 3.6 The Company shall be entitled, but shall not be bound, to accept and, in case of acceptance, shall be entitled to record in such manner as it may think fit notices of any trusts in respect of any of the shares of the Company. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were absolute owners thereof. For the purpose of this Article "trust" includes any right in respect of any shares of

the Company other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as are hereinafter mentioned

LIEN

4. The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) payable at a fixed time or called in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of that share, whether by way of dividend or otherwise

FORFEITURE OF SHARES

5. Regulation 18 of Table A is hereby modified by adding at the end of the first sentence thereof the following:-

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

TRANSFER OF SHARES

6. The Directors, may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share

PROCEEDINGS AT GENERAL MEETINGS

7. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result, of the show of hands a poll is demanded. Subject to the provisions of the Act, a poll may be demanded by any member present in person or by proxy.

VOTES OF MEMBERS

8. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) 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

NUMBER OF DIRECTORS

9. The maximum number and minimum number respectively of Directors may be determined from time to time by Ordinary Resolution in general meeting of the Company. Subject to and in default of such determination there shall be no maximum and the minimum number of Directors shall be one

APPOINTMENT OF DIRECTORS

- 10.1 The Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
- 10.2 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 11 The Office of a Director shall be vacated if:-
- (A) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
 - (B) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (C) he is, or may be, suffering from a mental disorder and either:-
 - (1) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - (11) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
 - (D) he resigns his office by notice to the Company, or
 - (E) if he is removed from office by notice in writing signed by all his co-Directors and served upon him; or
 - (F) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated

PROCEEDINGS OF DIRECTORS

- 12.1 The quorum for the transaction of the business of the Directors shall be two. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum
- 12.2 A Director may vote in respect of any contract or arrangement notwithstanding that he may be interested therein and if he does so he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration
- 12.3 A resolution of which any Director has signified his approval by letter, cable, telex, telegram or facsimile message shall be as valid and effectual as a resolution in writing signed by that Director.
- 12.4 A meeting of the Directors or of a committee of the Directors may consist of a conference between Directors or members of the committee who are not all in one place but of whom each is able (directly or by telephonic, televisual or similar means of communication) to speak to each of the others and to be heard by each of the others simultaneously.

WINDING-UP

13. If the Company shall be wound up the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall first be applied in repaying to the members the amounts paid or credited as paid on the shares held by them respectively and the balance (if any) shall be distributed among the members in proportion to the number of shares held by them respectively, Provided always that the provisions hereof shall be subject to the rights of the holders of shares (if any) issued upon special conditions.

INDEMNITY

- 14 Every Director or officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in which the charge is found not proven or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be

incurred by the Company in the execution or discharge of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.