

Registered Number 04484230

WEDNESDAY



A07

AS7FY2F3

20/08/2008

COMPANIES HOUSE

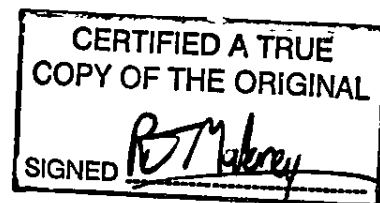
112

THE COMPANIES ACT 2006

REG VARDY (VMC) LIMITED

(the "Company")

PRIVATE COMPANY LIMITED BY SHARES



*Witnessed Michael
Edward A. G. G.*

WRITTEN RESOLUTIONS OF THE MEMBERS OF THE COMPANY
PURSUANT TO CHAPTER 2, PART 13 OF
THE COMPANIES ACT 2006 (the "Act")

Circulated to all members on *14 August 2008*

Pursuant to Chapter 2, Part 13 of the Act, the directors of the Company proposes that

- (A) resolution 1 below is passed as a special resolution of the Company ("Special Resolution")
- (B) resolutions 2, 3, 4 and 5 below are passed as ordinary resolutions of the Company ("Ordinary Resolutions")

SPECIAL RESOLUTION

- 1 THAT the draft Memorandum and Articles of Association circulated to the members and, for the purposes of identification, attached to this resolution, be adopted as the Memorandum and Articles of Association of the Company in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association

ORDINARY RESOLUTIONS

- 2 HAVING NOTED THAT Schedules 1 and 3 to the joint venture variation agreement between General Motors UK Limited, Reg Vardy Limited and Reg Vardy (VMC) Limited (the "Joint Venture Variation Agreement") contained detailed provisions concerning management policies and procedures and Management Services respectively; AND that Schedule 3 in particular may not accurately reflect current practice but that the Shareholders had not undertaken recently a detailed analysis of management charging practice, on the basis that Schedule 3 reflected historical, but not necessarily current practice, IT WAS RESOLVED to reserve any discussion of any required

changes to the first meeting of the Board of the Company, preferably in conjunction with budget discussions and to raise and determine the need for any consequential changes to Schedule 1 at the meeting of the Board of the Company to be held in October 2008

- 3 THAT the authorised share capital of the Company be increased from £1,000 to £1,500,000 by the creation of an additional 1,499,000 ordinary shares of £1 each to be divided into 74,999 "A" Ordinary Shares and 1,424,001 "B" ordinary shares in the capital of the Company
- 4 THAT with effect from the passing of this Resolution the Directors are unconditionally authorised, pursuant to section 80(1) of the Companies Act 1985, to allot all or any of the unissued shares in the Authorised Share Capital of the Company at the date of this resolution at any time or times during the period of five years from the date hereof

Handwritten signature

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Special and Ordinary Resolutions

Signed for and on behalf
of Reg Vardy Limited

Handwritten signature

Date 14/08/08

Signed for and on behalf
of General Motors UK Limited

Handwritten signature

Date 14/08/08

NOTES.

1 You can choose to agree to all of the Special and Ordinary Resolutions or none of them but you cannot agree to some only of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods -

By Hand delivering the signed copy to Hilary Sykes, Company Secretary, Neway House, Oakwood Court, Little Oak Drive, Annesley, Nottingham, NG15 0PR

Post: returning the signed copy by post to Hilary Sykes, Company Secretary, Neway House, Oakwood Court, Little Oak Drive, Annesley, Nottingham, NG15 0PR

Fax faxing the signed copy to 01623 725016 marked for the attention of "Hilary Sykes, Company Secretary"

E-mail: by attaching a scanned copy of the signed document to an e-mail and sending it to hilary.sykes@pendragon.uk.com Please enter "Written Resolutions dated [CIRCULATION DATE]" in the e-mail subject box

• If you do not agree to all of the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement

3 Unless by 8 August 2008, sufficient agreement has been received for the resolutions to pass, they will lapse If you agree to the resolutions, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

81
785

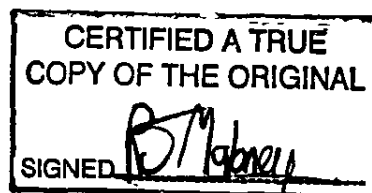
Company No. 4484230

The Companies Acts 1985 and 2006

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF
ASSOCIATION OF
REG VARDY (VMC) LIMITED

(incorporated the 12th day of July 2002)



R. J. MALONEY
Solicitor 14/08/08

THE COMPANIES ACTS 1985 and 2006
PRIVATE COMPANY LIMITED BY SHARES
COMPANY NUMBER 4484230

**MEMORANDUM OF ASSOCIATION OF
REG VARDY (VMC) LIMITED**

(as amended by Special Resolution passed on the ~~14th~~ day of August 2008)

1. The Company's name is Reg Vardy (VMC) Limited
2. The Company's registered office is to be situated in England and Wales
3. The Company's objects are -
 - (a) To carry on business as motor vehicle dealers including all or any of the businesses of proprietors of garages and petrol filling stations, repairing, hiring and other depots, oil and petrol merchants and dealers, motor engineers, furnishers, hirers and letters on hire of, agents for, and dealers in new and secondhand motor cars, motor cycles, scooters, vans, lorries and other vehicles, and of, for, and in spares, accessories, engines, implements, tools, furnishings and supplies of every description, used or required in connection therewith
 - (b) To acquire and assume for any estate or interest and to take options over, construct develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person
 - (c) To manufacture, process, import, export, deal in and store any goods and other things and to carry on the business of manufacturers, processors, importers, exporters and storers of and dealers in any goods and other things relating to the business of a motor vehicle trader
 - (d) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind relating to the business of a motor vehicle dealer.
 - (e) To advertise, market and sell the products of the Company and of any other person and to carry on the business of advertisers or advertising agents or of a Marketing and selling organisation or of a supplier, wholesaler, retailer, merchant or dealer of any kind relating to the business of a motor vehicle trader

- (f) To provide technical, cultural, artistic, educational, entertainment or business material, facilities or services and to carry on any business involving any such provision relating to the business of a motor vehicle dealer.
- (g) To lend money, and grant or provide credit and financial accommodation to any person
- (h) To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company
- (i) To enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same
- (j) To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing), by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities
- (k) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation 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 both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums interest dividends and other moneys payable or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing), any company which is for the time being a subsidiary or a holding company of the Company or other subsidiary of a holding company of the Company or otherwise associated with the Company.
- (l) To accept, draw, make, create, issue, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise
- (m) To sell, exchange, mortgage, charge, let, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities or for a share of profit or a royalty or other periodical or deferred payment
- (n) To issue and allot securities (including redeemable shares) of the Company for cash or in payment or part payment for any real or personal property purchased

or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities), or for any other purpose and to redeem purchase or otherwise deal with any such securities

- (o) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company or in or about the formation of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of promoters or managers and of underwriters or dealers in securities, and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustees of any kind and to undertake and execute any trust
- (p) To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the Company, and to procure the registration or incorporation of the Company in or under the laws of any place outside England
- (q) To grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or who the Board of Directors of the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, buildings and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such person or otherwise advance the interests of the Company or its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national charitable, benevolent, educational, social, public, general or useful object.
- (r) To cease carrying on or wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory
- (s) To distribute any of the property of the Company among its creditors and Members in specie or kind
- (t) To carry on any other business or activity and do anything of any nature which

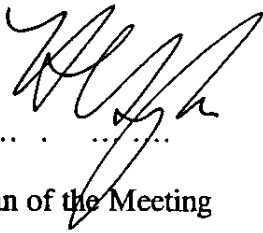
in the opinion of the Board of Directors of the Company is or may be capable of being conveniently carried on or done in connection with the business of a motor dealer

- (u) To do all such other things as in the opinion of the Board of Directors of the Company are or may be incidental or conducive to the attainment of the above objects or any of them

AND IT IS HEREBY DECLARED that "company" in this clause, except where used in reference to the Company shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean it and/or'' where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the contract expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph, or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate distinct and independent company.

- 4. The liability of the Members is limited.
- 5 The Company's share capital is £1,500,000 divided into 75,000 'A' Ordinary Shares of £1 each and 1,425,000 'B' Ordinary' Shares of £1 each The Company shall have power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions

This is a print of the Memorandum of Association of Reg Vardy (VMC) Limited as altered by
a Special Resolution of the Company duly passed on the 14th day of August
2008



.....
Chairman of the Meeting

THE COMPANIES ACTS 1985 AND 2006
PRIVATE COMPANY LIMITED BY SHARES

COMPANY NUMBER 4484230

**ARTICLES OF ASSOCIATION OF
REG VARDY (VMC) LIMITED**

(as adopted by a Special Resolution passed on the 14th day of August 2008)

TABLE A

- 1 In these Articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 so far as it applies to private companies limited by shares and any other subordinate legislation coming into operation prior to the date of adoption of these Articles. The regulations contained in Table A shall, except where they are excluded or modified by these Articles, apply to the Company and, together with these Articles, shall constitute the Articles of the Company.
- 2 In these Articles the expression "the Act" means the Companies Act 1985 and "the 2006 Act" means the Companies Act 2006 in each case as modified or re-enacted and in force for the time being and the expression "the Companies Acts" means the Act and the 2006 Act.

INTERPRETATION

- 3 Words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these Articles.

TRANSFER OF SHARES

- 4 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. Regulation 24 of Table A shall not apply.

UNISSUED SHARE CAPITAL

- 5 Subject to any direction to the contrary, which may be given by ordinary or other resolution of the Company and subject to any statutory provision any unissued shares of the Company shall be at the disposal of the Directors who may offer allot, grant

options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. The Directors are by this Article authorised to exercise all powers of the Company to allot all relevant securities (within the meaning of section 80 of the Act) such authority shall be unconditional and for the exercise of such power generally the maximum amount of relevant securities that may be the subject of allotment under such authority shall be the amount by which the nominal amount of the authorised share capital of the Company exceeds the nominal amount of the issued share capital of the Company at the date of adoption of these Articles, or if these Articles are the Articles applying on incorporation, exceeds the nominal amount of the shares taken by the subscribers to the Memorandum of Association, as the case may be, unless renewed, revoked or varied, such authority will expire on the date five years from the date on which the resolution adopting these Articles is passed, or if these Articles are the Articles applying on incorporation, from the date of incorporation, as the case may be, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot the relevant securities in pursuance of such offer or agreement accordingly the amount of a relevant security shall in the case of a share in the Company mean its nominal amount, and in the case of a right to subscribe for, or to convert any security into, shares in the Company mean the nominal amount of shares in the Company which would be required to satisfy such right (assuming full exercise)

- 6 Section 89 (1) of the Act shall not apply to the allotment by the Company of any equity security.

PURCHASE OF OWN SHARES

7. Regulation 35 of Table A shall not apply

PROCEEDINGS AT GENERAL MEETINGS

- 8 Subject to any statutory provision, a resolution in writing expressed to be an ordinary or special resolution signed by or on behalf of all the Members of the Company who would be entitled to vote on such a resolution if it were to be proposed at a general meeting of the Company shall be as valid and effectual as if it had been passed at such general meeting duly convened and held. Any such resolution may consist of several documents in the like form each signed by or on behalf of one or more of the members. Regulation 53 of Table A shall not apply.
- 9 Every notice convening a general meeting shall comply with section 325(1) of the 2006 Act. At any general meeting a poll may be demanded by any member present in person or by proxy and Regulation 46 of Table A shall be modified accordingly.
10. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person and every person present as a proxy for a Member or Members shall have one vote, and on a poll every Member shall have one vote for each share of which he is the holder. Regulation 54 of Table A shall not apply,

POWERS AND DUTIES OF DIRECTORS

11 The provisions of this Article 11 shall be subject to the Act and the 2006 Act

(A) A Director who, to his knowledge, is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company, shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration if he knows his interest then exists (or he ought reasonably to be aware of it), or, in any other case, at the first meeting of the Board after he knows or ought reasonably to be aware that he is or has become so interested. A general notice to the Board by a Director to the effect that

(i) he has an interest (as member, officer, employee or otherwise) in a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm, or

(ii) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him,

and stating the nature and extent of his interest or, as the case may be, the nature of his connection with the specified person shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract

(B) Provided that a Director has disclosed to the Board the nature and extent of his material interest or which interest is in a GM Associate (as defined below), that Director notwithstanding his office

(i) may be party to, or otherwise interested in (including without limitation through a GM Associate as defined below), any contract with the Company or in which the Company has a direct or indirect interest

(ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the Board may decide; any such remuneration shall be either in addition to or in lieu of any remuneration provided for, by or pursuant to any other Article

(iii) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor)

(iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested, or in any General Motors Corporation group company or Pendragon PLC group company, or any company which is appointed by any General Motors Corporation group Company under Dealer and Authorised Repairer Agreements in the United Kingdom or in which General Motors Corporation holds shares, directly or indirectly, and which is engaged in the

manufacture, sale, repair, servicing, distribution or funding of motor vehicles or parts and accessories therefor or any ancillary activity (a "GM Associate"), and

(v) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest.

For the avoidance of doubt the involvement of any such company as is referred to in Article 11B(iv) above in any transaction in which the Company is interested shall not in and of itself reasonably be regarded as giving rise to a conflict of interest Regulations 94 to 96 (inclusive) of Table A shall not apply

(C) the Board may, subject to the quorum and voting requirements set out in this article, authorise any matter which would otherwise involve a director breaching his duty under the Companies Acts to avoid conflicts of interest ("conflict") For the avoidance of doubt:, (a) the holding now or in the future by any General Motors Corporation group company or any Pendragon PLC group company of any shares in the Company or any company which is a GM Associate and the holding now or in the future by any nominee of any General Motors Corporation group company or any Pendragon PLC group company of any office of director of the Company or any company which is a GM Associate, or (b) the involvement of any such company as is referred to in sub-paragraph (a) of this Article in any transaction in which the Company may be interested shall not in and of itself constitute a conflict.

(D) any Director (including the relevant Director) may propose that the relevant Director be authorised in relation to any matter which is the subject of a conflict such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these Articles.

(E) where the Board gives authority in relation to a conflict

(i) the Board may (whether at the time of giving the authority or subsequently):

(a) require that the relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the conflict to the extent reasonable to do so, and

(b) impose upon the relevant Director such other terms reasonably necessary for the purpose of dealing with the conflict as it may determine

(ii) the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the conflict pursuant to the preceding Article

(iii) the Board may provide that where the relevant director obtains (otherwise than through his position as a Director of the Company) information that is confidential to a third party, the Director will not be obliged to disclose that information to the

Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence provided that a Director shall in any event not be obliged to disclose to the Company confidential information obtained by the Director as a result of the holding now or in the future by any General Motors Corporation group company or any Pendragon PLC group company of any shares in any of their respective group companies, or in any company which is a GM Associate,

(iv) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded)

- 12 Each Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate Director. If such alternate Director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Secretary at the registered office of the Company or tendered at a meeting of the Directors. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Directors or of a committee of the Directors to the same extent as, but in lieu of, his appointor and shall be entitled to attend and vote as a Director at any such meeting at which his appointor is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles of Association shall apply as if he were a Director. Every person voting as an alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of these Articles of Association relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for his appointor. An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate Director. Every person acting as an alternate Director shall have one vote for every Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate Director to any resolution in writing of the Directors or a committee of the Directors shall (unless the notice of his appointment provides to the contrary) be as effective as the signature of his appointor. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director. Regulations 65 to 69 (inclusive) of Table A shall not apply.
- 13 The Directors on behalf of the Company may exercise all the powers of the Company to grant pensions annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependents of any Director or former Director. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company. The Directors may

by resolution exercise any power conferred by statute to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary Regulation 87 of Table A shall not apply.

- 14 The Company shall adopt a seal which shall only be used with the authority of the Directors Any instrument to which the seal is affixed shall be signed by a Director and by the Secretary or by a second Director Clause 101 of Table A shall not apply to the Company

APPOINTMENT AND REMOVAL OF DIRECTORS

- 15 Without prejudice to any other provisions of or incorporated in these Articles of Association governing the appointment of Directors, any Member or Members holding a majority in nominal value of such of the issued share capital for the time being of the Company as carries the right of attending and voting at general meetings of the Company by memorandum in writing signed by or on behalf of him or them and delivered to the registered office of the Company or tendered at a meeting of the Board, or of the Company in general meeting, may at any time and from time to time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors or remove any Director from office howsoever appointed
16. Both of them, the Directors and the Company in general meeting shall have power to appoint a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors
- 17 No Director shall be required to retire or vacate his office or be ineligible for reappointment as a Director, nor shall any person be ineligible for appointment as a Director, by reason of his having attained any particular age Regulation 81 of Table A shall be varied accordingly
- 18 Regulations 73 to 80 (inclusive) and Regulation 81(e) of Table A shall not apply

PROCEEDINGS OF DIRECTORS

- 19 A resolution in writing signed by or on behalf of all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held Any such resolution may consist of several documents in the like form each signed by or on behalf of one or more of the Directors Regulation 93 of Table A shall not apply
- 20 A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board Meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board Meeting to any Director who is for the time being absent from the United Kingdom Regulation 88 of Table A shall be varied accordingly

- 21 All or any of the members of the Board of Directors or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.
22. The minimum number of Directors shall be 2 and the maximum number of Directors shall be 4. A quorum for meetings of Directors shall be 2. In the case of an equality of votes the Chairman shall have a second or casting vote. In addition, there may be up to 4 non-voting divisional directors. References in the Articles and the Company's Memorandum of Association to "Directors" shall exclude such non-voting executive directors, whose only rights shall be to attend meetings of the Board of Directors if so invited by the Board.
- 23 Every Director or other officer or Auditor of the Company shall 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 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 judgment is given in his favour or in which he is acquitted or in connection with any relief from Liability granted by the court (Liability being any liability incurred in connection with negligence, default, breach of duty, breach of trust in relation to the Company), and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any Liability. Clause 118 in Table A shall not apply to the Company.

EXECUTIVE DIRECTORS

24. The Directors may from time to time appoint one or more of their body to an executive office (including that of managing director, manager or any other salaried office) for such period and upon such terms as the Directors may determine PROVIDED THAT for the avoidance of doubt no such Director shall have any greater powers than any other single Director unless approved by the Company in General Meeting. The Directors may revoke or terminate any such appointment. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company, or the Company may have against such Director, for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.
- 25 Any Director appointed to an executive office shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and either in addition to or in lieu of his remuneration as a Director. Regulation 84 of Table A shall not apply.

NOTICES

26. Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in Register of Members, or by delivering it to or leaving it at such registered address, addressed as aforesaid, or by any other means provided such other means have been authorised in writing by the Members concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Any notice or other document served or delivered in accordance with these Articles of Association shall be deemed duly served or delivered notwithstanding that the Member is then dead or bankrupt or otherwise under any legal disability or incapacity and whether or not the Company had notice thereof.

Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day when the same was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.

27. Notice of every general meeting shall be given in any manner authorised by or under these Articles of Association to all Members other than such as under the provisions of these Articles of Association on the terms of issue of the shares they subscribed for, they are not entitled to receive such notices from the Company. Provided that any Member may in writing waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Regulations 38, 112, 115 and 116 of Table A shall not apply.

SHARE CAPITAL

28. The Company's share capital is £1,500,000 and such capital shall be divided into 75,000 'A' Ordinary Shares of £1 each and 1,425,000 'B' Ordinary Shares of £1 each.
29. Save as provided in these Articles the 'A' Ordinary Shares shall rank pari passu with the 'B' Ordinary Shares in issue. Save with the consent or sanction of the holders of the 'A' Ordinary Shares given in the manner provided in section 125 of the Act the Company shall not create or issue any further Shares ranking to any extent either as to dividend or as to capital in priority to or pari passu with the 'A' Ordinary Shares nor give security in respect of its borrowings.
30. 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, only with the consent in writing of the holders of a 75% majority of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the 'A' Ordinary Shares shall be deemed varied -

- (i) by the calling of a meeting of the Company (which in these Articles shall include the issue by the Company of a written resolution) for the purpose of effecting any alteration or increase or reduction or subdivision or consolidation of the authorised or issued capital of the Company or any variation of the rights attached to any of the shares in the capital of the Company, or
- (ii) by the disposal of the undertaking of the Company or a substantial part thereof, or
- (iii) by any alteration of the restrictions on the powers of the Directors of the Company to borrow, or
- (iv) by the application by way of capitalisation of any sum in or towards paying up any loan stock of the Company; or
- (v) by the calling of a meeting of the Company for the purpose of winding up, or
- (vi) by the calling of a meeting of the Company to approve the redemption of any of the Company's shares or a contract by the Company to purchase any of its shares, or
- (vii) by the calling of a meeting of the Company for the purpose of amending the Company's Memorandum and Articles of Association, or
- (viii) by the entering into of a written service agreement with any Director or connected person (as defined by S 839 of the Income and Corporation Taxes Act 1988) or the material variation of any such existing service agreement with any such person

DIVIDENDS

- 31 The profits available for dividend in respect of any financial year of the Company shall be calculated after:-
- (a) excluding extraordinary items and profits which in the opinion of the Auditors from time to time of the Company are not of a revenue nature, and
 - (b) making good any losses incurred in previous years not previously made good
- 32 Save as unanimously agreed by the Shareholders in general meeting the profits available for dividend in respect of each financial year of the Company (calculated in accordance with Article 31) and which may by law be distributed as dividend (herein called " the distributable profits") shall be paid pari passu on all Shares in issue such Shares ranking equally and the Directors shall declare and pay dividends accordingly

No dividends shall be paid except as provided in this Article, and Regulations 102 to

105 (inclusive) of Table A shall take affect subject to this Article.

This is a print of the Articles of Association of Reg Vardy (VMC) Limited as adopted by a Special Resolution duly passed on the 14 day of August 2008



Chairman of the Meeting

PENDRAGON MANAGEMENT SERVICES LTD

FOR & ON BEHALF OF

DULY AUTHORISED SIGNATORY

DULY AUTHORISED SIGNATORY

FOR & ON BEHALF OF

PENDRAGON MANAGEMENT SERVICES LTD *B Director*