

The Companies Act 1985 (the "Act")

Written Resolutions of

MORTGAGES BY PHONE LIMITED

(Company Number 5969141)

The undersigned, being the sole member of the above company (the "**Company**") who (at the date of these resolutions) would be regarded for the purposes of Section 381A of the Act as entitled to attend and vote at any general meeting of the Company, hereby passes the following written resolutions and confirms that such resolutions shall be valid and effective as if they had been passed at an extraordinary general meeting of the Company duly convened and held:-

IT IS RESOLVED THAT:-

- 1 Subject to the passing of resolution 6 below, the authorised and issued ordinary share of £1.00 in the share capital of the Company (being currently legally registered in the name of and beneficially owned by Connells Limited) be and is hereby re-designated and re-classified as an 'A' ordinary share of £1.00 such share having the rights and restrictions set out in the articles of association of the Company to be adopted under resolution 6 below (such re-designation and re-classification to take effect immediately following the passing of resolution 6 below).
- 2 Subject to the passing of resolution 6 below, the authorised but unissued 999 ordinary shares of £1.00 each in the share capital of the Company be and are hereby re-designated and re-classified as 999 'A' ordinary shares of £1 each all such shares having the rights and restrictions set out in the articles of association of the Company to be adopted under resolution 6 below (such re-designation and re-classification to take effect immediately following the passing of resolution 6 below).
- 3 Subject to the passing of resolution 6 below, the authorised share capital of the Company be increased from £1,000 to £400,000 by the creation of 299,000 'A' ordinary shares of £1 each and the creation of 100,000 'B' ordinary shares of £1 each, all such shares having the respective rights and restrictions set out in the articles of association of the Company to be adopted under resolution 6 below.
- 4 Subject to the passing of resolution 6 below, the directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Act to exercise all powers of the Company to allot relevant securities (within the meaning of that section) to an aggregate nominal amount of £400,000, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date five years from the date of this resolution, but 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 relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

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- 5 Subject to the passing of resolution 6 below, the directors be and are empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) to section 94(3A) of the Act) wholly for cash pursuant to the authority conferred on them to allot relevant securities (as defined as section 80 of the Act) by resolution 2 above up to an aggregate nominal value of £400,000 as if section 89(1) of the Act did not apply to any such allotment, provided that this authority shall, unless renewed, varied or revoked, expire on the date five years from the date of this resolution, but the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
- 6 The draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of all of the existing articles of association.

Dated the 10th day of January 200~~7~~⁷ WB.



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For and on behalf of Connells Limited

Company No. 5969141

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
MORTGAGES BY PHONE LIMITED**

Adopted 10 January 2007



COMPANIES HOUSE

1 City Square, Leeds, LS1 2ES
Tel: 0113 235 5545 Fax: 0113 235 5450
www.watsonburton.com

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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
MORTGAGES BY PHONE LIMITED

1 **DEFINITIONS AND INTERPRETATION**

1.1 In these articles, unless the context otherwise requires:

"A Director" shall have the meaning given in article 12.1;

"A Shares" means the "A" ordinary shares of £1.00 each of the Company having the rights set out in articles 3 and 4;

"A Shareholder" means Connells Limited or if different the holder for the time being of the "A" Shares;

"Auditors" means the auditors of the Company for the time being;

"B Director" shall have the meaning given in article 0;

"B Shares" shall mean the "B" ordinary shares of £1.00 each in the Company having the rights set out in articles 3 and 4;

"B Shareholders" means the Founders or if different the holders for the time being of the "B" Shares;

"Board" means the Board of Directors of the Company for the time being;

"Business Day" means a day on which banks are open for normal banking business in the City of London (excluding Saturdays) and **"Business Days"** shall be construed accordingly;

"CA 1985" means the Companies Act 1985, as amended;

"Company" means Mortgages By Phone Limited (Company Number 5969141) (a company incorporated under the laws of England and Wales) whose registered office is at Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 8GN;

"Entire Market Value" means the open market value of the entire issued equity share capital of the Company (as agreed or determined in accordance with clause 11.8 of the Shareholders' Agreement);

"Equity Shares" means the "A" Shares and "B" Shares;

"Founders" means Charles Haresnape and David Broadhead;

"Group" means in relation to any company, that company and any company which is a holding company or subsidiary or subsidiary undertaking of that company or body and any subsidiary or subsidiary undertaking of any such holding company and **"member of a Group"** shall be construed accordingly;

"Issue Price" means the amount paid up or credited as paid up (including any premium on issue) on the Share concerned;

"Shareholder" means any registered holder of Shares for the time being;

"Shares" means the "A" Shares and the "B" Shares;

"Shareholders' Agreement" means an agreement dated the same date as the adoption of these Articles between Connells Limited (1), Charles Haresnape and David Broadhead (2) and the Company (3) relating to the Company;

"Statutes" means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Statute for the time being in force concerning companies and affecting the Company; and

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985.

- 1.2 These articles and the regulations of Table A (subject to any modifications set out in these articles) shall constitute the articles of association of the Company.
- 1.3 References in these articles to regulations are to regulations in Table A and references to an article by number are to the particular article of these articles.
- 1.4 In these articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.5 Words and expressions defined in or for the purposes of the Act or Table A shall, unless the context otherwise requires, have the same meanings in these articles.
- 1.6 Words and expressions defined in the Shareholders' Agreement shall (where the context so admits) bear the same meaning in these articles.
- 1.7 The headings in these articles shall not affect their construction or interpretation.
- 1.8 Notwithstanding any other provision of these articles, in the event of a conflict or inconsistency between these articles and the Shareholders' Agreement, the Shareholders' Agreement shall prevail.

2 AUTHORISED SHARE CAPITAL

- 2.1 The authorised share capital of the Company is £400,000 divided into 300,000 "A" Shares and 100,000 "B" Shares.

3 SHARES AND DIVIDENDS

The rights attached to both the "A" Shares and the "B" Shares are as follows:

3.1 Dividends

Any profits which the Company determines to distribute in respect of any financial year shall be applied in paying dividends to the holders of the "A" Shares and the "B" Shares then in issue *pari passu* according to the number of such Shares actually held by each Shareholder as if all the Shares constituted one class of Share.

3.2 Voting

All the Shareholders shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and all the Shareholders who (being individuals) are present in person or by proxy or (being a corporation) are present by duly authorised representatives or by proxy shall, on a show of hands, have such number of votes as is equal to the number of Shares held by them (save that where the "A" Shares constitute more than 50% of the Company's issued equity share capital they shall have at least such number of votes as represents 75% of the votes capable of being cast on the resolution concerned), and, on a poll have such number of votes as is equal to the number of Shares held by them (save that where the "A" Shares constitute more than 50% of the Company's issued equity share capital they shall have such number of votes as represents at least 75% of the votes capable of being cast on the resolution concerned).

- 3.3 If any Shareholder holding "A" Shares acquires any "B" Shares those "B" Shares shall automatically convert into the same number and nominal value of "A" Shares from the date of registration of the transfer of those shares. The same shall apply, *mutatis mutandis*, in respect of any Shareholder holding "B" Shares acquiring any "A" Shares.

4 RIGHTS TO CAPITAL

- 4.1 On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in accordance with the principles set out in article 4.2 below.
- 4.2 The principles referred to in article 4.1 are that the holders of the "A" Shares and the "B" Shares shall be entitled to participate in the return of capital *pari passu* according to the number of "A" Shares and "B" Shares actually held by them as if they constituted one class.

5 VARIATION OF CLASS RIGHTS

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) 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 three quarters of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued Shares of that class, but not otherwise. To every such separate meeting, all the provisions of these articles relating to general meetings of the Company shall, *mutatis mutandis*, apply.

6 ISSUE OF SHARES

- 6.1 Section 89(1) and sections 90(1) to (6) of CA 1985 shall apply to the Company.

- 6.2 Any shares in the Company allotted to a holder of "A" Shares shall be "A" Shares and any shares in the Company allotted to a holder of "B" Shares shall be "B" Shares.

7 LIEN

- 7.1 The lien conferred by regulation 8 shall attach to all Shares of any class, whether fully paid or not, and to all Shares registered in the name of any Shareholder for all money presently payable by him or his estate to the Company, whether he is their sole registered holder or one of two or more joint holders. Regulation 8 shall be modified accordingly.
- 7.2 The Directors shall not be entitled to sell any "A" Shares on which the Company has from time to time a lien without the prior consent in writing of the "B" Shareholders. Regulation 9 shall be modified accordingly.
- 7.3 The Directors shall not be entitled to exercise any right of forfeiture in respect of the "A" Shares from time to time or to sell, reallocate or otherwise dispose of any "A" Shares which have from time to time been forfeited without the prior written consent in writing of the "B" Shareholders. Regulation 20 shall be modified accordingly.
- 7.4 The provisions of articles 7.2 and 7.3 shall apply *mutatis mutandis* to the "B" Shares as if references therein to the consent of the "B" Shareholders were to the consent of the "A" Shareholder.
- 7.5 All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with article 8 (Transfers of Shares). Regulation 9 shall be modified accordingly.

8 TRANSFERS OF SHARES

- 8.1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer is made both in accordance with this article 8 and in accordance with the Shareholders' Agreement.
- 8.2 An obligation to transfer a Share under these articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.
- 8.3 Regulations 30 and 31 shall be modified to reflect the provisions of this article 8.
- 8.4 Where:
- (a) either of the Founders suffers a Transfer Event; or
 - (b) either of the Founders suffers a Deemed Transfer Event; or
 - (c) either of the Founders serves an Option Transfer Notice; or
 - (d) the "A" Shareholder serves a Come Along Notice and that shares are to be transferred pursuant to that notice,

then the provisions of this article 8 shall, subject to the Shareholders' Agreement, apply to the transfer of the relevant Shares.

- 8.5 Each occurrence of a Transfer Event or Deemed Transfer Event, each service of an Option Transfer Notice and each occasion on which shares become bound to be transferred pursuant to a Purchase Right Transfer Notice or Come Along Notice shall constitute the Company as the agent of the selling Shareholder (the "**Vendor**") for the sale of the relevant Shares on the terms of the Shareholders' Agreement and this article 8 and shall be irrevocable.
- 8.6 The relevant Shares shall be transferred by the Vendor to the purchaser at a price (the "**Sale Price**") determined as the case may be:
- (a) in accordance with clause 9.6 of the Shareholders' Agreement; or
 - (b) in accordance with clause 9.8 of the Shareholders' Agreement; or
 - (c) in accordance with clause 11.5 of the Shareholders' Agreement; or
 - (d) in accordance with clause 12.3 of the Shareholders' Agreement.
- 8.7 Completion of a sale and purchase of the relevant Shares shall take place at the registered office of the Company at the time determined by the Shareholders' Agreement or otherwise determined by the Board when the Vendor shall, upon payment to him of the Sale Price in respect of the relevant Shares, transfer the relevant Shares to the purchaser and deliver the relevant share transfer for the relevant Shares to the purchaser.
- 8.8 If a Vendor fails to transfer any relevant Shares when required pursuant to this article 8, the Board may authorise any person (who shall be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such relevant Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the relevant Shares from the purchaser and shall, upon receipt of the transfer duly stamped, register the purchaser as the holder of the relevant Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the purchaser (who shall not be concerned to see to the application of it) and, after the name of the purchaser has been entered in the Register of Members in purported exercise of the power conferred by this article 8, the validity of that exercise shall not be questioned by any person.

9 GENERAL MEETINGS

The Board shall procure that the audited accounts of the Company for each financial year are laid before the Company in general meeting not later than 5 months after the end of the relevant financial year.

10 PROCEEDINGS AT GENERAL MEETINGS

- 10.1 Any Shareholder having the right to vote at the meeting may demand a poll at a general meeting. Regulation 46 shall be modified accordingly.
- 10.2 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two Shareholders present in person or by proxy, being one person being or representing the "A" Shareholder and any one of the "B" Shareholders shall be a quorum for all purposes. A corporation being a member shall be deemed to be

personally present if represented in accordance with the provisions of section 375 CA 1985.

- 10.3 Regulation 41 shall be modified by the insertion at the end of that regulation the following sentence: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those members present shall constitute a quorum."
- 10.4 If, within half an hour from the time appointed for a general meeting, a quorum is not present, the meeting shall be adjourned to the same day of the next week at the same time and place or such other place, date and time as the Shareholders shall agree and each Shareholder shall be notified by the Company by notice in writing of the date, time and place of the adjourned meeting at least 2 days in advance thereof. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those one or more Shareholders and/or Shareholders' representatives present shall constitute a quorum, provided that an "A" Shareholder is present.

11 NUMBER OF DIRECTORS

- 11.1 The number of directors shall not be less than 2 nor more than 10. Regulation 64 shall not apply.

12 APPOINTMENT OF "A" DIRECTORS

- 12.1 The "A" Shareholder may at any time and on more than one occasion appoint any person to be a director (an "A" **Director**" which expression shall, where the context so permits but not in article 12.3, include a duly appointed alternate of such a director) and at any time and on more than one occasion remove an "A" Director from office.
- 12.2 Subject to articles 11.1 and 14.1, there shall be no limit to the number of "A" Directors in office at any time.
- 12.3 Any appointment or removal of an "A" Director shall be in writing served on the Company signed by the "A" Shareholder and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 12.4 Upon written request by a majority of the holders of the "A" Shares, the Company shall procure that any "A" Director is forthwith appointed as a director of any other member of the Group.
- 12.5 Regulation 81(e) shall not apply to an "A" Director.
- 12.6 The Shareholder holding one half or more of the "A" Shares may at any time and on more than one occasion appoint any director to be the chairman of the Board and at any time and on more than one occasion remove from the office of chairman a person so appointed. Article 12.3 shall apply to any such appointment or removal. Regulation 91 shall be modified accordingly.

13 APPOINTMENT OF "B" DIRECTORS

The "B" Shareholders may appoint themselves to be directors (the "**B Directors**") which expression shall, where the context so permits, include a duly appointed alternate

of such a director). No "B" Director may be appointed otherwise than as provided for in this article 13.

14 ALTERNATE DIRECTORS

14.1 The words "approved by resolution of the directors and" in regulation 65 shall not apply to an appointment of an alternate director for an "A" Director.

14.2 Regulation 66 shall be amended by the insertion between the words "shall" and "be" of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)".

14.3 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum but shall not, save as provided in article 14.4, be entitled to vote; if his appointor is present he shall not be counted in the quorum and shall not be entitled to attend the meeting of the Board.

14.4 A person who holds office as an alternate director on behalf of a particular director shall be entitled to vote in that capacity at two board meetings only in any period of 12 consecutive months.

14.5 Any director may, by giving notice to the Shareholders who did not appoint him, appoint an alternate and may, in the same way, remove an alternate so appointed by him. An alternate shall be entitled to receive notice of all meetings of the Board and attend and vote as such at any meeting at which the director appointing him is not personally present and generally in the absence of his appointor to do all the things which his appointor is authorized or empowered to do. A director who is also an alternate shall be entitled in the absence of his appointor:

- (a) to a separate vote on behalf of his appointor in addition to his own vote; and
- (b) to be counted as part of the quorum of the Board on his own account and in respect of the director for whom he is the alternate.

14.6 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate director to any resolution in writing of the directors shall be as effective as the signature of his appointor. Save as aforesaid, an alternate shall not have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.

14.7 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company 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.

15 PROCEEDINGS OF DIRECTORS

15.1 The quorum for the transaction of business of the Board shall be two directors of whom at least one is an "A" Director and at least one is a "B" Director.

15.2 Any director or his alternate may validly participate in a meeting of the Board by conference telephone or other form of communication equipment if all persons

participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting then is.

- 15.3 Subject to disclosure under section 317 CA 1985, a director may vote at any meeting of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which conflicts or may conflict with the interests of the Company. Regulations 94 and 95 shall not apply.
- 15.4 Unless the Board decides otherwise, meetings of the Board shall be held as circumstances require. No Board meeting shall normally be convened on less than five Business Days' notice, but a meeting of the Board may be convened by giving not less than 24 hours' notice if the interests of the Company would be likely to be adversely affected to a material extent if the business to be transacted at such Board meeting were not dealt with as a matter of urgency or if all the directors agree.
- 15.5 Documents relating to issues to be considered by members of the Board at any meeting of the Board shall be distributed in advance of the meeting to all members of the Board and their alternates so as to ensure that they are received at least four Business Days prior to the date fixed for such meeting or, if the meeting is convened on less than five Business Days' notice, then as soon as reasonably practicable. Minutes of Board meetings shall be circulated to all Directors as soon as practicable after the holding of such meeting.
- 15.6 If within half an hour from the time appointed for a Board meeting a quorum is not present, the meeting shall be adjourned to the same day of the next week at the same time and place or by agreement between all of the directors, to an earlier day, time and place. Each director not present at the meeting shall be notified by the Company by facsimile notice or by any other form of notice in writing of the date time and place of the adjourned meeting. If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting those directors present shall constitute a quorum, provided that an "A" Director is present.
- 15.7 No resolution of the directors shall be effective unless carried by a majority of the Directors present.
- 15.8 The "A" Directors shall be entitled to appoint a chairman for meetings of the Board. The chairman of the Board shall have a second or casting vote.
- 15.9 Any "A" Director who is not present at a meeting of the Board shall automatically be deemed to have appointed the chairman of the Board as his alternate. The chairman shall then have the right to vote both for himself and independently for the appointing "A" Director.

16 RETIREMENT OF DIRECTORS

- 16.1 Directors shall not be required to retire by rotation. Regulations 67 and 78 shall be modified accordingly. Regulations 73 to 77, the second and third sentences of regulation 79, regulation 80 and the last sentence of regulation 84 shall not apply.

17 NOTICES

- 17.1 Any notice to be given to the Company pursuant to these articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 17.2 Any notice to be given pursuant to these articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.
- 17.3 The figure "24" shall be inserted in substitution for the figure "48" in the second sentence of regulation 115. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

18 INDEMNITY

- 18.1 Subject to the provisions of CA 1985, but without prejudice to any other indemnity to which the person concerned may otherwise be entitled, every director, alternate 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 the exercise of his powers or otherwise in relation thereto. Regulation 118 shall be extended accordingly.
- 18.2 The directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against.