

FINC 4910  
005273/20

BR1



Companies House  
for the record

CHWP000

This form should be completed in black.

**Return delivered for registration of a branch of  
an overseas company**

(Pursuant to Schedule 21A, paragraph 1 of the Companies Act 1985)

Corporate name  
(See note 5) (name in parent state)  
Business name  
(if different to corporate name)

Country of Incorporation  
Identity of register  
(if applicable)

Legal form  
(See note 3)

For office  
use only

CN

FC 28897

BN

BR 90405

EASYJET LEASING LIMITED

Cayman Islands

REGISTRAR OF COMPANIES, CAYMAN ISLANDS

and registration no. 113232

Company limited by shares

1 See note 2

**PART A - COMPANY DETAILS** 1

\* State whether the company is  
a credit or financial institution

\* Is the company subject to Section 699A of the Companies Act 1985?

YES ☐

☒ NO

(1) These boxes need not be completed by companies formed in EC member states

Governing law  
(See note 4)

Cayman Islands - Companies Law

Accounts

Period for which the company is required to prepare accounts by  
parent law, from 1 October to 30 September

Period allowed for the preparation and public disclosure of accounts  
for the above period N/A NOT APPLICABLE \* months

\* THERE IS NO LEGAL REQUIREMENT PUBLICLY  
TO DISCLOSE ACCOUNTS OF THE COMPANY  
UNDER ITS GOVERNING LAW

1



\*AME9681Y\*

10/03/2009

84

COMPANIES HOUSE

\*AR2BC7TQ\*

02/03/2009

102

COMPANIES HOUSE

TUESDAY

(2) This box need NOT be completed by companies from EC member states, OR where the constitutional documents of the company already show this information.

Address of principal place of  
business in home country

Objects of company

Issued share capital

Governor's Square, Unit 1-205, West Bay Road

P.O. Box 1982, Grand Cayman, KY1-1104, Cayman Islands

Those of an Investment Company

\$2 ( 2 ordinary shares of \$1 each)      Currency US Dollar

**Company Secretary(ies)**

(See note 10)

Name

\* Voluntary details

†† Tick this box if the  
address shown is a  
service address for  
the beneficiary of a  
Confidentiality Order  
granted under section  
723B of the  
Companies Act 1985  
otherwise, give your  
usual residential  
address. In the case  
of a corporation, give  
the registered or  
principal office  
address.

☐

Address ††

\* Style / Title

Forenames Giles

Surname Pemberton

\* Honours etc.

Previous Forenames

Previous surname

Horse and Hounds, Buckland Common

Post town Near Tring

County / Region Herts.

Postcode HP23 6HQ

Country England

**Company Secretary(ies)**

(See note 10)

Name

\* Voluntary details

†† Tick this box if the  
address shown is a  
service address for  
the beneficiary of a  
Confidentiality Order  
granted under section  
723B of the  
Companies Act 1985  
otherwise, give your  
usual residential  
address. In the case  
of a corporation, give  
the registered or  
principal office  
address

☐

Address ††

\* Style / Title

Forenames

Surname

\* Honours etc.

Previous Forenames

Previous surname

Post town

County / Region

Postcode

Country

(You may photocopy this page  
if required)

## Directors

(See note 10)

Name

\* Voluntary details

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office address

☐

Address ††

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page as required)

\* Style / Title

Forenames Andrew

Surname Harrison

\* Honours etc.

Previous Forenames

Previous surname

Wimbushes, Ragged Hall Lane

Post town St Albans

County / Region Herts

Postcode AL2 3NW

Country England

Date of Birth

Day	Month	Year
0	2	0
5	1	9
5	7	

Nationality British

Business Occupation Director

Other Directorships easyJet plc, easyJet Airline Company Ltd

Airline One Ltd, Airline Two Ltd, Airline Seven Ltd, Go Fly Holdings (No1)

Ltd, easyJet Airports Ltd, GB Airways Ltd, Avia Invest (UK) Ltd

The extent of the authority to represent the company is :- (give details)

Full authority to take any actions on behalf of the Company.

These powers :-

# ☒ May be exercised alone

OR

# ☐ Must be exercised with :-

(Give name(s) of co-authorised person(s))

## Directors

(See note 10)

Name

\* Voluntary details

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office address

☐

Address ††

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page as required)

\* Style / Title \_\_\_\_\_

Forenames Jeff

Surname Carr

\* Honours etc. \_\_\_\_\_

Previous Forenames \_\_\_\_\_

Previous surname \_\_\_\_\_

5 Bellridge Place, Knotty Green,

Post town Beaconsfield,

County / Region Buckinghamshire

Postcode HP9 2DN Country England

Date of Birth

Day	Month	Year
1	7	0 9 1 9 6 1

Nationality British

Business Occupation Company Director

Other Directorships easyJet plc, easyJet Airline Company Ltd

Airline One Ltd, Airline Two Ltd, Airline Seven Ltd, Go Fly Holdings (No1)

Ltd, easyJet Airports Ltd, GB Airways Ltd, Aero Invest (UK) Ltd

The extent of the authority to represent the company is :- (give details)

Full authority to take any actions on behalf of the Company.

These powers :-

# ☒ May be exercised alone

OR

# ☐ Must be exercised with :-

(Give name(s) of co-authorised person(s))

## Directors

(See note 10)

Name

\* Voluntary details

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☐

Address ††

### SCOPE OF AUTHORITY

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# Mark box(es) as appropriate

(You may photocopy this page as required)

\* Style / Title

Forenames Saad

Surname Hammad

\* Honours etc.

Previous Forenames

Previous surname

3 Priory Gardens, Chiswick

Post town London

County / Region

Postcode W4 1TT

Country England

Date of Birth

Day	Month	Year
<u>1</u>	<u>6</u>	<u>1</u>
<u>0</u>	<u>1</u>	<u>9</u>
<u>6</u>	<u>2</u>	

Nationality British

Business Occupation Director

Other Directorships easyJet Airline Company Ltd, GB Airways Ltd,

Optus Public Limited Company

The extent of the authority to represent the company is :- (give details)

Full authority to take any actions on behalf of the Company.

These powers :-

# ☒ May be exercised alone

OR

# ☐ Must be exercised with :-

(Give name(s) of co-authorised person(s))

## Directors

(See note 10)

Name

\* Voluntary details

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☐

Address ††

\* Style / Title \_\_\_\_\_

Forenames Neil

Surname Mills

\* Honours etc. \_\_\_\_\_

Previous Forenames \_\_\_\_\_

Previous surname \_\_\_\_\_

6 Park Hill,

Post town Toddington

County / Region Bedfordshire

Postcode LU5 6AW Country England

Date of Birth

Day	Month	Year
1	3	0
7	1	9
7	1	1

Nationality British

Business Occupation Company Director

Other Directorships easyJet Engineering (easyTech) Limited

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

The extent of the authority to represent the company is :- (give details)

Full authority to take any actions on behalf of the Company.

These powers :-

# ☒ May be exercised alone

OR

# ☐ Must be exercised with :-

(Give name(s) of co-authorised person(s))

(You may photocopy this page as required)

## Constitution of company

to 9)

(See notes 6

# Mark box(es)  
as applicable

\* Delete as applicable

AND/OR

A certified copy of the constitutional documents and latest accounts of the company, together with a certified translation of them if they are not in the English language, must accompany

#	<input checked="" type="checkbox"/>	A certified copy of the instrument constituting or defining the constitution of the company
	AND	
	<input type="checkbox"/>	* A certified translation
		* is / are delivered for registration

#	<input checked="" type="checkbox"/>	A copy of the latest accounts of the company
	AND	
	<input type="checkbox"/>	* A certified translation
		* is / are delivered for registration

AND/OR

The company may rely on constitutional and accounting documents previously filed in respect of another branch registered in the United Kingdom.

#	<input type="checkbox"/>	The Constitutional documents (* and certified translations)
	AND / OR	
	<input type="checkbox"/>	The latest accounts (* and certified translations)
		of the company were previously delivered on the registration of the branch of the company at :-
	Cardiff	<input type="checkbox"/>
	Edinburgh	<input type="checkbox"/>
	Belfast	<input type="checkbox"/>
	Registration no.	<input type="text"/>

AND/OR

The company may rely on particulars about the company previously filed in respect of another branch in that part of Great Britain, provided that any alterations have been notified to the Registrar

<input type="checkbox"/>	the particulars about the company were previously delivered in respect of a branch of the company registered at THIS registry.
Registration no.	<input type="text"/>

AND/OR

The company may also rely on constitutional documents and particulars about the company officers previously filed in respect of a former Place of Business of that company, provided that any alterations have been notified to the Registrar.

☐

NOTE :- In all cases, the registration number of the branch or place of

<input type="checkbox"/>	The Constitutional documents (* and certified translation)
AND / OR	
<input type="checkbox"/>	Particulars of the current directors and secretary(ies)
	were previously delivered in respect of a place of business of the company registered at THIS registry.
Registration no.	<input type="text"/>

## PART B - BRANCH DETAILS

### Persons authorised to represent the company or accept service of process

Give details of all persons who are authorised to represent the company as permanent representatives of the company in respect of the business of the branch.

Give details also of all persons resident in Great Britain, who are authorised to accept service or process on the company's behalf.

\* Delete as appropriate

#### SCOPE OF AUTHORITY

(This part does not apply to a person only authorised to accept service on behalf of the company)

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office address.

☐

\* Style / Title \_\_\_\_\_

Forenames Andrew

Surname Harrison

Address †† Wimbushes, Ragged Hall Lane,

Post town St Albans

County / Region Herts Postcode AL2 3NW

Is # ☒ Authorised to accept service of process on the company's behalf

\* AND/OR

Is # ☒ Authorised to represent the company in relation to that business

The extent of the authority to represent the company is :- (give details)

Full authority to take any action on behalf of the Company.

These powers :-

# ☒ May be exercised alone

OR

# ☐ Must be exercised with :-

(Give name(s) of co-authorised person(s))

**Persons authorised to represent the company or accept service of process**

Give details of all persons who are authorised to represent the company as permanent representatives of the company in respect of the business of the branch.

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☐

(You may photocopy this page as required)

* Style / Title _____	
Forenames <u>Jeff</u>	
Surname <u>Carr</u>	
Address †† <u>5 Bellridge Place, Knotty Green,</u>	
Post town <u>Beaconsfield</u>	
County / Region <u>Buckinghamshire</u>	Postcode <u>HP9 2DN</u>
Is # <input checked="" type="checkbox"/> Authorised to accept service of process on the company's behalf	
* AND/OR	
Is # <input checked="" type="checkbox"/> Authorised to represent the company in relation to that business	
The extent of the authority to represent the company is :- (give details)	
Full authority to take any action on behalf of the Company.	
These powers :-	
# <input checked="" type="checkbox"/> May be exercised alone	
OR	
# <input type="checkbox"/> Must be exercised with :-	(Give name(s) of co-authorised person(s))

## PART B - BRANCH DETAILS

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\* Delete as appropriate

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☐

\* Style / Title \_\_\_\_\_

Forenames Saad

Surname Hammad

Address †† 3 Priory Gardens, Chiswick

Post town London

County / Region \_\_\_\_\_ Postcode W4 1TT

Is # ☒ Authorised to accept service of process on the company's behalf

\* AND/OR

Is # ☒ Authorised to represent the company in relation to that business

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OR

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### Persons authorised to represent the company or accept service of process

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Give details also of all persons resident in Great Britain, who are authorised to accept service or process on the company's behalf.

\* Delete as appropriate

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☐

\* Style / Title \_\_\_\_\_

Forenames Neil

Surname Mills

Address †† 6 Park Hill

Post town Toddington

County / Region Bedfordshire Postcode LU 5 6AW

Is # ☒ Authorised to accept service of process on the company's behalf

\* AND/OR

Is # ☒ Authorised to represent the company in relation to that business

The extent of the authority to represent the company is :- (give details)

Full authority to take any action on behalf of the Company.

These powers :-

# ☒ May be exercised alone

OR

# ☐ Must be exercised with :-

(Give name(s) of co-authorised person(s))

**Address of branch**

(See note 11)

Address <u>Hangar 89, London Luton Airport,</u>	
<u></u>	
Post town <u>Luton</u>	
County / Region <u>Bedfordshire</u>	Postcode <u>LU2 9PF</u>

**Branch Details**

(See note 12)

	Day	Month	Year
Date branch opened	0	4	1 0 2 0 0 1
Business carried on at branch	<u>The business of a general</u>		
Investment Company	<u></u>		
<u></u>			
<u></u>			

**SIGNATURE**

Signed	<u><i>Bulhams</i></u>
(* Director / Secretary / Permanent representative)	
Date	<u>27/2/09</u>
This form contains ..... continuation sheets.	

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Name	<u>Bunmi Williams</u>
Address	<u>Hangar 89, London Luton Airport, Luton,</u>
	<u></u>
	Postcode <u>LU2 9PF</u>
Telephone	<u>01582 525 645</u>
	Extension <u></u>

When completed, this form together with any enclosures should be delivered to the Registrar of Companies at

For branches established in England and Wales

For branches established in Scotland

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

DX 33050 Cardiff

Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

DX 235 Edinburgh  
or LP - 4 Edinburgh 2



**FILE COPY**

**CERTIFICATE OF REGISTRATION  
OF AN OVERSEA COMPANY**

(Establishment of a branch)

Company No. FC028897

Branch No. BR010405

The Registrar of Companies for England and Wales hereby certifies that

**EASY JET LEASING LIMITED**

has this day been registered under Schedule 21A of the Companies Act 1985 as  
having established a branch in England and Wales.

Given at Companies House on **12th March 2009**.



*Companies House*  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

0113232

**easyJet Leasing Limited**  
**Financial**  
**statements**  
**30 September 2008**



A13

ARZBZ/10  
02/03/2009  
COMPANIES HOUSE

112

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Independent auditors' report to the directors of easyJet Leasing Limited	2
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Balance sheet	4
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## Statement of directors' responsibilities

The directors of the company ('the directors') are responsible for these non-statutory financial statements for the year ended 30 September 2008 which are intended to give a true and fair view of the state of affairs of the company as at the end of that financial year and of its profit or loss for that year. In preparing these financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on the going concern basis as they believe that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each of the persons who is a Director at the date of the approval of these Financial Statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF EASYJET LEASING LIMITED

We have audited the non-statutory financial statements of easyJet Leasing Limited for the year ended 30 September 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes. These non-statutory financial statements have been prepared under the accounting policies set out therein.

These non-statutory financial statements were prepared solely for the purposes of management of the company's affairs, have not been prepared under section 226 of the Companies Act 1985 and are not the company's statutory financial statements.

### Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the non-statutory financial statements in accordance with the basis of preparation and accounting policies in note 1 to the non-statutory financial statements are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the non-statutory financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the directors for management purposes in accordance with our engagement letter dated 24 July 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the non-statutory financial statements are properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 1 to the non-statutory financial statements.

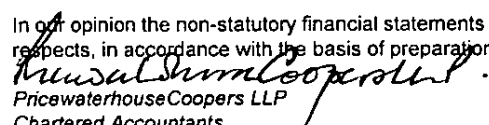
### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the non-statutory financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the non-statutory financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the non-statutory financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the non-statutory financial statements.

### Opinion

In our opinion the non-statutory financial statements for the year ended 30 September 2008 have been properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 1 to the non-statutory financial statements.

  
PricewaterhouseCoopers LLP  
Chartered Accountants  
St Albans  
28 January 2009

# Income statement

easyJet Leasing Limited  
Financial Statements  
30 September 2008

		Year ended 30 September 2008 £000	Year ended 30 September 2007 £000
	Notes		
Revenue		69,093	51,037
Other (expenses) / income		(46,639)	22,277
Earnings before interest, tax and depreciation		22,454	73,314
Depreciation		(25,601)	(19,299)
Operating (loss) / profit		(3,147)	54,015
Finance income		24,384	53,385
Finance cost		(68,621)	(85,400)
Net finance costs	5	(44,237)	(32,015)
(Loss) / profit before tax	2	(47,384)	22,000
Tax	6	(2,488)	3,857
(Loss) / profit for the year	15	(49,872)	25,857

# Balance sheet

## easyJet Leasing Limited Financial Statements 30 September 2008

		30 September 2008	30 September 2007
	Notes	£000	£000
<b>Non-current assets</b>			
Property, plant and equipment	7	828,720	661,235
Restricted cash	10	976	817
		829,696	662,052
<b>Current assets</b>			
Assets held for sale	8	54,979	-
Trade and other receivables	9	165,211	727,515
Derivative financial instruments	16	33,512	-
Cash and cash equivalents	10	12	1
		253,714	727,516
<b>Current liabilities</b>			
Trade and other payables	11	(626,642)	(854,344)
Borrowings	12	(29,048)	(138,141)
Derivative financial instruments	16	-	(6,480)
		(655,690)	(998,965)
<b>Net current liabilities</b>		<b>(401,976)</b>	<b>(271,449)</b>
<b>Non-current liabilities</b>			
Borrowings	12	(349,254)	(338,979)
Accruals and deferred income		(78,554)	(39,728)
Deferred tax liabilities	6	(45,950)	(34,827)
		(473,758)	(413,534)
<b>Net liabilities</b>		<b>(46,038)</b>	<b>(22,931)</b>
<b>Shareholders' deficit</b>			
Share capital	14	-	-
Hedging reserve	14	22,206	(4,559)
Retained earnings - deficit	14	(68,244)	(18,372)
		(46,038)	(22,931)

The financial statements were approved by the Board of directors and authorised for issue on 28 January 2009 and signed on behalf of the Board.

Jeff Carr  
Director

# Cash flow statement

## easyJet Leasing Limited Financial Statements 30 September 2008

	Notes	Year ended 30 September 2008 £000	Year ended 30 September 2007 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	15	243,827	197,258
Interest received		18	89
Interest paid		(14,273)	(18,957)
<b>Net cash generated from operating activities</b>		<b>229,572</b>	<b>178,390</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	53,135
Purchase of property, plant and equipment		(247,748)	(258,998)
<b>Net cash used by investing activities</b>		<b>(247,748)</b>	<b>(205,863)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from drawdown of bank loans		40,243	46,726
Repayment of bank loans		(19,659)	(16,931)
Repayment of capital elements of finance leases		(2,661)	(2,476)
Increase in restricted cash		(35)	(42)
<b>Net cash generated from financing activities</b>		<b>17,888</b>	<b>27,277</b>
Effect of exchange rate changes		299	(1)
<b>Net decrease in cash and cash equivalents</b>		<b>11</b>	<b>(197)</b>
Cash and cash equivalents at beginning of year		1	198
<b>Cash and cash equivalents at end of year</b>		<b>12</b>	<b>1</b>

**Statement of recognised income and expense**

		Year ended 30 September 2008 £000	Year ended 30 September 2007 £000
	Notes		
Cash flow hedges			
Fair value gains / (losses) in year	14	35,658	(5,701)
Transfers (from) / to property, plant and equipment	14	(258)	1,142
Related tax	14	(8,635)	-
<b>Net income / (expense) recognised directly in shareholders' deficit</b>		<b>26,765</b>	<b>(4,559)</b>
(Loss) / profit for the year	14	(49,872)	25,857
<b>Total recognised (expense) and income attributable to shareholders</b>		<b>(23,107)</b>	<b>21,298</b>

## Notes to the financial statements

### 1 Accounting policies

#### Basis of preparation

The Company is incorporated in the Cayman Islands. Its financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) taking into account International Financial Reporting Interpretations Committee (IFRIC) interpretations. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the International Accounting Standards Board (IASB). However the financial statements for the periods presented would be no different had the Company applied IFRS as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU. These financial statements are prepared on the historical cost convention except for derivative financial instruments that are measured at fair value.

These financial statements are prepared on the going concern basis, which the directors consider appropriate, as the ultimate holding company, easyJet plc, has confirmed its intention to provide the necessary financial support for the foreseeable future.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The registered office of the Company is FCM Limited, Governors' Square, West Bay Road #1-205, P.O.Box 1982 Grand Cayman, KY1-1104, Cayman Islands and its Company number is 113232.

#### Revenue recognition

Revenues represent amounts (excluding value added tax) derived from the rental of aircraft to other group companies. Revenue is recognised on the date that the right to receive consideration occurs.

#### Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions may mean that actual results ultimately differ from those estimates, and these differences may be material.

In drawing up the financial statements, estimates are made of current and deferred corporation tax assets and liabilities. These estimates are affected by transactions and calculations where the ultimate tax determination was uncertain at the time the financial statements were finalised. The issues involved are often complex and may take an extended period to resolve.

#### Assets held for sale (Note 8)

When an aircraft is held for sale, the carrying value of the asset is assessed by comparison with its fair value less costs to sell the asset. The underlying market for aircraft is conducted in US dollars. In the current uncertain economic environment, where the market for used aircraft is thin, there are few transactions against which a market comparison of fair value can be made. In these circumstances the Company uses data available from third party agencies and indications of interest from prospective purchasers to estimate the fair value at the balance sheet date. The time it will take to sell the aircraft held for sale is also uncertain, and asset values in sterling could rise or fall before a sale is completed.

#### Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions.

Where market values are not available, the fair value of financial instruments is calculated by discounting cash flows at prevailing interest rates and by applying year end exchange rates.

#### Non derivative financial assets

Non derivative financial assets are recorded at amortised cost and include trade receivables, cash and money market deposits. Restricted cash comprises cash deposits which have restrictions governing their use and is classified as a current or non-current asset based on the estimated remaining length of the restriction. Cash and cash equivalents comprise cash held in bank accounts with no access restrictions and bank or money market deposits repayable on demand or maturing within three months of inception.

Impairment losses are recognised on financial assets carried at amortised cost where there is objective evidence that a loss has been incurred. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows, discounted at the original effective interest rate.

If, subsequently, the amount of the impairment loss decreases, and the decrease can be related objectively to an event that occurred after the impairment was recognised, the appropriate portion of the loss is reversed. Both impairment losses and reversals are recognised in the income statement as components of net finance income.

#### Non derivative financial liabilities

Non derivative financial liabilities are initially recorded at fair value of net proceeds, and subsequently at amortised cost.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value.

Derivative financial instruments designated as cash flow hedges are used to mitigate operating and investing transaction exposures to movements in currency exchange rates. Hedge accounting is applied to these instruments.

Changes in intrinsic fair value are recognised in shareholders' funds to the extent that they are effective. All other changes in fair value are recognised immediately in the income statement. Where the hedged item results in a non financial asset or liability the accumulated gains and losses previously recognised in shareholders' funds form part of the initial carrying value of the asset or liability. Otherwise accumulated gains and losses are recognised in the income statement in the same period in which the hedged items affect the income statement.

Hedge accounting is discontinued when a hedging instrument is derecognised (e.g. through expiry or disposal), or no longer qualifies for hedge accounting. Where the hedged item is a highly probable forecast transaction, the related gains and losses remain in shareholders' funds until the transaction takes place.

When a hedged future transaction is no longer expected to occur, any related gains and losses previously recognised in shareholders' funds are immediately recognised in the income statement.

## 1 Accounting policies (continued)

### Foreign currencies

Transactions arising in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling using the rate of exchange ruling at the balance sheet date and (except where the asset or liability is designated as a cash flow hedge) the gains or losses on translation are included in the income statement. Non monetary assets and liabilities denominated in foreign currencies are translated into sterling at foreign exchange rates ruling at the dates the transactions were effected.

### Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are recognised at the inception of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments. Any directly attributable costs of entering into financing sale and leasebacks are included in the value of the asset recognised. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in interest payable and other financing charges.

### Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight line basis over their expected useful lives. Expected useful lives are reviewed annually.

	Period of depreciation
Aircraft	23 years
Aircraft spares	14 years
Aircraft improvements	3-7 years
Aircraft - prepaid maintenance	3-10 years

Items held under finance leases are depreciated over the shorter of the lease term and their expected useful lives, as shown above.

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalently aged assets and depreciation rates adjusted accordingly on a prospective basis. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

An element of the cost of a new aircraft is attributed on acquisition to prepaid maintenance and is amortised over a period ranging from three to ten years from the date of manufacture. Subsequent costs incurred which lend enhancement to future periods such as long term scheduled maintenance and major overhaul of aircraft and engines are capitalised and amortised over the length of period benefiting from these enhancements. All other maintenance costs are charged to the income statement as incurred.

The cost of new aircraft comprises the invoiced price of the aircraft from the supplier less the estimated value of other assets received by the Company for nil consideration. These assets principally comprise cash (recognised as an asset) and aircraft spares (capitalised at list price and depreciated over their expected useful life).

Pre delivery and option payments made in respect of aircraft which are expected to be funded out of cash reserves or by mortgage financing are recorded in property, plant and equipment at cost.

### Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less cost to sell and its value in use.

## 1 Accounting policies (continued)

### Tax

Tax expense in the income statement consists of current and deferred tax. The charge for current tax is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income. Tax is recognised in the income statement except when it relates to items credited or charged directly to shareholders' funds, in which case it is recognised in shareholders' funds.

Deferred tax is provided in full on temporary differences relating to the carrying amount of assets and liabilities, where it is probable that the recovery or settlement will result in an obligation to pay more, or a right to pay less, tax in the future, with the following exceptions:

- where the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting profit.
- deferred tax arising on investments in subsidiaries, associates and joint ventures, is not recognised where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which recovery of assets and settlement of liabilities are expected to take place, based on tax rates or laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets represent amounts recoverable in future periods in respect of deductible temporary differences, losses and tax credits carried forwards. Deferred tax assets are recognised to the extent that it is probable that there will be suitable taxable profits from which they can be deducted.

Deferred tax liabilities represent the amount of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and it is the intention to settle these on a net basis.

### New standards and interpretations not applied

The IASB and IFRIC have issued the following standards and interpretations that have not been applied in preparing these financial statements as their effective dates fall in periods beginning after 1 October 2007. At 30 September 2008, only IFRS 8 had been adopted by the European Union.

	Applies to periods beginning after
<b>International Accounting Standards Board</b>	
<i>New and revised standards</i>	
IAS 27 Consolidated and Separate Financial Statements (Revised)	1 July 2009
IFRS 3 Business Combinations (Revised)	1 July 2009
IFRS 8 Operating Segments	1 January 2009
<i>Amendments to standards</i>	
IAS 1 Presentation of Financial Statements (Revised Presentation)	1 January 2009
IAS 1 Presentation of Financial Statements (Puttable Instruments and Obligations Arising on Liquidation)	1 January 2009
IAS 23 Borrowing Costs (Removal of Option to Expense)	1 January 2009
IAS 27 Consolidated and Separate Financial Statements (Investment in Subsidiaries)	1 January 2009
IAS 32 Financial Instruments: Presentation (Puttable Instruments and Obligations Arising on Liquidation)	1 January 2009
IAS 39 Financial Instruments: Recognition and Measurement (Eligible Hedged Items)	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement (Reclassification of Financial Assets)	1 July 2008*
IFRS 1 First-time Adoption of IFRS (Investment in Subsidiaries)	1 January 2009
IFRS 2 Share-based Payment (Vesting Conditions and Cancellations)	1 January 2009
IFRS 7 Financial Instruments: Disclosures (Reclassification of Financial Assets)	1 July 2008*
2007 Annual Improvements to IFRS	1 January 2009
<b>International Financial Reporting Interpretations Committee</b>	
IFRIC 12 Service Concession Arrangements	1 January 2008
IFRIC 13 Customer Loyalty Programmes (IAS 18)	1 July 2008
IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IAS 19)	1 January 2008
IFRIC 15 Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 January 2009

\* The amendments to IAS 39 and IFRS 7 are effective from 1 July 2008, however the Company has not elected to reclassify any financial assets in these financial statements

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements. Certain of these standards and interpretations will, when adopted, require addition to or amendment of disclosures in the financial statements.

## 2 (Loss) / profit before tax

The future minimum lease payments receivable under non-cancellable leases are as follows:

	2008 £000	2007 £000
Not later than one year	90,770	59,530
Later than one year and not later than five years	336,042	224,243
Later than five years	262,792	187,803
	<b>689,604</b>	<b>471,576</b>

The Company's operating lease terms are for between seven and ten years.

The following have been included in arriving at (loss) / profit before tax:

	2008 £000	2007 £000
Depreciation of property, plant and equipment		
Owned assets	22,343	16,005
Under finance leases	3,257	3,294
Remuneration of the auditors for audit of the Company	-	18

Auditor's remuneration for the year ended 30 September 2008 has been borne by another easyJet group company.

## 3 Remuneration of directors

None of the directors received any emoluments in relation to their services to the Company (2007: nil). The services provided by the directors to the Company were of negligible value in relation to their service provided to the Group.

## 4 Employees

The company employed no staff in the current or the prior year.

## 5 Net finance costs

	2008 £000	2007 £000
<b>Interest expense</b>		
Interest payable on bank borrowings	12,327	14,596
Interest payable on finance leases	4,208	5,299
Interest payable to group undertakings	45,225	64,742
Net exchange losses on financing items	6,861	763
<b>Finance costs</b>	<b>68,621</b>	<b>85,400</b>
Interest receivable from group undertakings	(24,367)	(53,296)
Interest income	(17)	(89)
<b>Finance income</b>	<b>(24,384)</b>	<b>(53,385)</b>
<b>Net finance costs</b>	<b>44,237</b>	<b>32,015</b>

## 6 Tax

### a) Tax on (loss) / profit on ordinary activities:

	2008 £000	2007 £000
<b>Deferred tax</b>		
Temporary differences relating to property, plant and equipment	(3,786)	5,554
Other temporary differences	-	(576)
Prior year adjustments	6,274	(8,835)
Total deferred tax charge / (credit)	2,488	(3,857)
<b>Total tax charge / (credit) in the income statement</b>	<b>2,488</b>	<b>(3,857)</b>
Effective tax rate	(5.3)%	(17.5)%

### b) Reconciliation of the total tax charge

The tax for the year is higher (2007: lower) than the standard rate of corporation tax in the UK (2008: 28%, 2007: 30%).

	2008 £000	2007 £000
(Loss) / profit on ordinary activities before tax	(47,384)	22,000
Tax (credit) / charge at 28% (2007: 30%)	(13,268)	6,600
Group relief surrendered for nil consideration	9,482	1,538
Adjustments in respect of prior periods - deferred tax	6,274	(8,835)
Change in tax rates	-	(3,160)
<b>Total tax</b>	<b>2,488</b>	<b>(3,857)</b>

### c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	Fair value losses / (gains) £000	Accelerated capital allowances £000	Short-term timing differences £000	Total £000
<b>At 1 October 2007</b>	-	35,403	(576)	<b>34,827</b>
Charged to the income statement	-	1,912	576	<b>2,488</b>
Charged to shareholders' funds	8,635	-	-	<b>8,635</b>
<b>At 30 September 2008</b>	<b>8,635</b>	<b>37,315</b>	<b>-</b>	<b>45,950</b>
		Accelerated capital allowances £000	Short-term timing differences £000	Total £000
<b>At 1 October 2006</b>		38,684	-	<b>38,684</b>
Credited to the income statement		(3,281)	(576)	<b>(3,857)</b>
<b>At 30 September 2007</b>		<b>35,403</b>	<b>(576)</b>	<b>34,827</b>

## 7 Property, plant and equipment

	Aircraft £000
<b>Cost</b>	
At 1 October 2007	700,445
Additions	248,065
Transfer to assets held for sale	(67,947)
<b>At 30 September 2008</b>	<b>880,563</b>
<b>Depreciation</b>	
At 1 October 2007	39,210
Charge for the year	25,601
Transfer to assets held for sale	(12,968)
<b>At 30 September 2008</b>	<b>51,843</b>
<b>Net book value</b>	
<b>At 30 September 2008</b>	<b>828,720</b>
At 1 October 2007	661,235
	Aircraft £000
<b>Cost</b>	
At 1 October 2006	492,718
Additions	260,862
Transfers to other group undertakings	(53,135)
<b>At 30 September 2007</b>	<b>700,445</b>
<b>Depreciation</b>	
At 1 October 2006	19,911
Charge for the year	19,299
<b>At 30 September 2007</b>	<b>39,210</b>
<b>Net book value</b>	
<b>At 30 September 2007</b>	<b>661,235</b>
At 1 October 2006	472,807

The net book value of aircraft at 30 September 2008 includes £188,115,000 (2007: £115,969,000) relating to advance payments and option payments for future delivery of aircraft. This amount is not depreciated.

At 30 September 2008, the Company is contractually committed to the acquisition of 107 (2007: 120) Airbus A320 family aircraft with a total list price of US\$4.9 billion (2007: US\$5.3 billion) before escalations and discounts.

The net book value of aircraft held under finance leases at 30 September 2008 was £74,578,000 (2007: £77,835,000). £3,257,000 of the related accumulated depreciation was charged in the year ended 30 September 2008 (2007: £3,294,000).

At 30 September 2008, aircraft with a net book value of £311,674,000 (2007: £282,916,000) were mortgaged to lenders as security for loans.

## 8 Assets held for sale

Five Airbus A319, measured at carrying value, are classified as assets held for sale at 30 September 2008. These aircraft are to be sold as part of management's strategy to manage capacity growth during the coming year. They were classified as assets held for sale in July 2008 and are expected to be sold within one year from that date.

## 9 Trade and other receivables

	2008 £000	2007 £000
Amounts owed by group undertakings	158,237	724,839
Other debtors	6,612	2,142
Prepayments and accrued income	362	534
	<b>165,211</b>	<b>727,515</b>

Concentrations of credit risk with respect to trade receivables are limited and default is unlikely as they are due from group companies.

## 10 Cash and money market deposits

	2008 £000	2007 £000
Cash and cash equivalents (original maturity less than three months)	12	1
Non-current restricted cash	976	817
	<b>988</b>	<b>818</b>

Restricted cash relates to amounts on deposit relating to certain financing arrangements.

## 11 Trade and other payables

	2008 £000	2007 £000
Amounts owed to group undertakings	618,667	845,866
Other creditors	1,241	665
Accruals and deferred income	6,734	7,813
	<b>626,642</b>	<b>854,344</b>

## 12 Borrowings

	2008 £000	2007 £000
Bank loans	276,296	222,913
Finance lease obligations	102,006	91,542
Intercompany loans	-	162,665
	<b>378,302</b>	<b>477,120</b>
Current portion	29,048	138,141
Non-current portion	349,254	338,979
	<b>378,302</b>	<b>477,120</b>

Bank loans, which bear interest at variable rates linked to LIBOR, were drawn down to finance the acquisition of aircraft that have been mortgaged to the lender to provide security.

Finance lease obligations relate to aircraft and bear interest partly at fixed rates and partly at variable rates linked to LIBOR.

(a) The bank loans financed the acquisition of certain of the company's aircraft. The aircraft purchased with the loans are provided as security against the borrowings. Bank loans are denominated in US Dollars and bear interest based upon LIBOR.

(b) Finance leases are secured against certain of the company's aircraft, and are based partly on variable interest rates, and partly on fixed interest rates. Their fair value is £96.4 million (2007: £87.8 million).

(c) Intercompany loans were redeemed during the year ended 30 September 2008, being replaced by intercompany balances on normal terms as described in note 18. This non-cash transaction has been excluded from the cash flow statement.

## 13 Called up share capital

	2008 Number	2007 Number
<b>Authorised</b>		
Ordinary shares of US \$1 each	50,000	50,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of US \$1 each	2	2

## 14 Shareholders' deficit

	Share capital £000	Hedging reserve £000	Retained earnings £000	Total £000
<b>At 1 October 2007 - deficit</b>	-	(4,559)	(18,372)	(22,931)
Loss for the year	-	-	(49,872)	(49,872)
Cash flow hedges				
Fair value gains	-	35,658	-	35,658
Transfers to property, plant and equipment	-	(258)	-	(258)
Related taxation (note 6c)	-	(8,635)	-	(8,635)
<b>At 30 September 2008 - fund / (deficit)</b>	-	<b>22,206</b>	<b>(68,244)</b>	<b>(46,038)</b>
	Share capital £000	Hedging reserve £000	Retained earnings £000	Total £000
<b>At 1 October 2006 - deficit</b>	-	-	(44,229)	(44,229)
Profit for the year	-	-	25,857	25,857
Cash flow hedges				
Fair value losses	-	(5,701)	-	(5,701)
Transfers to property, plant and equipment	-	1,142	-	1,142
<b>At 30 September 2007 - deficit</b>	-	<b>(4,559)</b>	<b>(18,372)</b>	<b>(22,931)</b>

## 15 Reconciliation of net (loss) / profit to net cash inflow from operating activities

	2008 £000	2007 £000
<b>Cash generated from operations</b>		
(Loss) / profit for the year	(49,872)	25,857
<b>Adjustments for:</b>		
Tax charge / (credit)	2,488	(3,857)
Depreciation charge	25,601	19,299
Interest income	(24,384)	53,207
Interest expense	61,760	84,637
Unrealised foreign exchange differences	87,946	(48,097)
<b>Changes in working capital:</b>		
Decrease / (increase) in trade and other receivables	585,678	(206,294)
(Decrease) / increase in trade and other payables	(475,119)	251,260
Increase in other non-current assets	-	(476)
Increase in other non-current liabilities	29,729	21,722
	<b>243,827</b>	<b>197,258</b>

## 16 Financial instruments

### Carrying value and fair value of financial assets and financial liabilities

The fair values of financial assets and liabilities, together with the carrying value at each reporting date are as follows:

At 30 September 2008	Amortised cost			Held at fair value				
	Loans and receivables	Financial liabilities	Cashflow hedge	Held for trading	Non financial instruments	Carrying value	Fair value	
	£000	£000	£000	£000	£000	£000	£000	£000
<i>Financial assets</i>								
Restricted cash	976	-	-	-	-	976	976	976
Derivative financial assets	-	-	30,841	2,671	-	33,512	33,512	33,512
Trade and other receivables	158,817	-	-	-	6,394	165,211	165,211	165,211
Cash and money market deposits	12	-	-	-	-	12	12	12
<i>Financial liabilities</i>								
Trade and other payables	-	625,402	-	-	1,240	626,642	626,642	626,642
Borrowings	-	378,302	-	-	-	378,302	374,557	374,557
Derivative financial liabilities	-	-	-	-	-	-	-	-

At 30 September 2007	Amortised cost			Held at fair value				
	Loans and receivables	Financial liabilities	Cashflow hedge	Held for trading	Non financial instruments	Carrying value	Fair value	
	£000	£000	£000	£000	£000	£000	£000	£000
<i>Financial assets</i>								
Restricted cash	817	-	-	-	-	817	817	817
Derivative financial assets	-	-	-	-	-	-	-	-
Trade and other receivables	724,839	-	-	-	2,676	727,515	727,515	727,515
Cash and money market deposits	1	-	-	-	-	1	1	1
<i>Financial liabilities</i>								
Trade and other payables	-	854,177	-	-	168	854,344	854,344	854,344
Borrowings	-	477,120	-	-	-	477,120	476,258	476,258
Derivative financial liabilities	-	-	4,559	1,921	-	6,480	6,480	6,480

### Fair value calculation methodology

Derivative financial instruments comprise forward contracts, detailed in the fair value analysis below, and are valued based on market rates at each year end. Where carrying value does not equal fair value, the fair value has been estimated by discounting cash flows at prevailing interest rates and by applying year end exchange rates. For all other financial instruments fair value approximates to carrying value.

Non financial instruments represent amounts recognised in the balance sheet for the line items disclosed above that do not meet the definition of a financial instrument and are disclosed in order to provide sufficient information to permit reconciliation of the carrying values above to those presented in the balance sheet.

## 16 Financial instruments (continued)

Financial instruments are revalued based on exchange rates at the period end date. Amounts recorded in the income statement are as follows:

	2008 £000	2007 £000
<b>Operating profit</b>		
Unrealised revaluation losses / (gains) on non-derivative financial instruments	37,871	(20,144)
Unrealised revaluation losses / (gains) on other monetary assets and liabilities	9,096	(2,455)
Realised foreign exchange gains on financial instruments	(66)	(1)
Realised (gains) / losses on derivatives	(286)	573
	46,615	(22,027)
<b>Financing costs</b>		
Unrealised (gains) / losses on derivatives	(4,592)	1,921
Unrealised revaluation losses / (gains) on other financial instruments	45,571	(27,419)
Realised (gains) / losses on derivatives	(34,118)	26,260
	6,861	762
<b>Net losses / (gains)</b>	<b>53,476</b>	<b>(21,265)</b>

### Fair value of derivative financial instruments

At 30 September 2008	Quantity USD million	Assets £000	Liabilities £000
<i>Designated as cash flow hedges</i>			
Forward US dollar contracts	553.6	30,841	-
<i>Designated as held for trading</i>			
Forward US dollar contracts	637.7	2,671	-
	1,191.3	33,512	-
Less non-current portion			
Forward contracts		-	-
Current portion		33,512	-
<b>At 30 September 2007</b>			
	Quantity USD million	Assets £000	Liabilities £000
<i>Designated as cash flow hedges</i>			
Forward US dollar contracts	353.4	-	(4,559)
<i>Designated as held for trading</i>			
Forward US dollar contracts	660.2	-	(1,921)
	1,013.6	-	(6,480)
Less non-current portion			
Forward contracts		-	-
Current portion		-	(6,480)

Quantity represents the nominal value of currency contracts held, disclosed in the contract currency.

easyJet Airline Company Limited, a group undertaking, maintains relationships in the financial markets on behalf of the group and acts as agent for other group companies. In this capacity easyJet Airline Company Limited has entered into a number of contracts on behalf of easyJet Leasing Limited. The purpose of these contracts is to hedge the company's transaction currency risk and manage exposure to non-group financial liabilities denominated in US dollars.

### Derivatives designated as cash flow hedges

At 30 September 2008, easyJet Leasing Limited had forward purchased USD 553.6 million (2007: USD 353.4 million) to hedge transaction currency risk. The fair value of these contracts, all of which expire within one year, was an asset of £30.8 million (2007: liability of £4.6 million).

Where these hedges are assessed as highly effective, gains and losses are deferred in shareholders' funds and transferred to the cost of property, plant and equipment when the related cash flow occurs. All hedges at 30 September 2008 were determined to be highly effective and therefore the unrealised gain of £22.2 million has been deferred in reserves.

### Derivatives designated as held for trading

The Group has net monetary liabilities at the balance sheet date of £181.0 million (2007: £47.0 million). In accordance with IAS 21, monetary assets and liabilities are revalued using the exchange rates ruling at the balance sheet date. The Group manages this exposure by the use of forward foreign exchange contracts. Gains and losses on these contracts are allocated to group companies in proportion to their shares of the group's exposure.

At 30 September 2008 the company had net monetary liabilities of £727.1 million, of which £262.2 million was due to other group companies.

## 17 Financial risk and capital management

easyJet is exposed to financial risks including fluctuations in exchange rates, jet fuel prices and interest rates. These risks are managed at group level using the policies described in easyJet's consolidated annual report for the year ended 30 September 2008.

The Company is exposed to fluctuations in exchange rates (US dollar) and interest rates. As this exposure is contained within the easyJet group, no Company-specific risk management activities are carried out.

Financial instruments affected by market risks include borrowings, deposits, receivables, payables and derivative financial instruments. The following sensitivity analysis illustrates the sensitivity of such financial instruments to changes in relevant foreign exchange rates. It should be noted that the sensitivity analysis reflects the impact on profit or loss after tax and shareholders' funds on financial instruments held at the reporting date. It does not reflect changes in revenue or costs that may result from changing currency rates, interest rates or fuel prices. Each sensitivity is calculated based on all other variables remaining constant. The analysis below is considered representative of the Company's exposure over the 12 month period.

The currency sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date taking into account forward exchange contracts that offset effects from changes in the US dollar. The increased sensitivity in the US dollar rate represents sterling weakening against the US dollar with the -10% sensitivity showing a stronger sterling sensitivity. The sensitivity applied to currency rates is based on reasonably possible change in the rate applied to the value of financial instruments at the balance sheet date.

The interest rate analysis assumes a 1% change in interest rates over the reporting year applied to end of year financial instruments.

At 30 September 2008	Currency rates		Interest rates
	usd + 10%	usd - 10%	1% increase
	£000	£000	£000
Income statement impact: gain/(loss)	(54,638)	50,479	(5,790)
Impact on shareholders' funds: increase/(decrease)	24,617	(20,118)	-

At 30 September 2007	Currency rates		Interest rates
	usd + 10%	usd - 10%	1% increase
	£000	£000	£000
Income statement impact: gain/(loss)	(47,127)	38,553	(3,983)
Impact on shareholders' funds: increase/(decrease)	13,128	(10,860)	-

The impact of a 1% increase in interest rates is disclosed above. A corresponding decrease in the interest rate results in an equal and opposite impact on the income statement in both reporting periods.

easyJet manages its capital structure at group level using the policies described in easyJet's consolidated annual report for the year ended 30 September 2008. No Company-specific capital management activities are carried out.

Liquidity risk is managed at a group level using the policies described in easyJet's consolidated annual report for the year ended 30 September 2008. The maturity profile of the Company's financial liabilities based on the remaining contractual maturities is set out below. The analysis represents undiscounted

30 September 2008	Within 1 year £000	1-2 years £000	2 - 5 years £000	Over 5 years £000
Borrowings	43,270	49,867	155,978	205,260
Trade and other payables	625,402	-	-	-
Derivative contracts - receipts	(310,994)	-	-	-
Derivative contracts - payments	281,264	-	-	-

30 September 2007	Within 1 year £000	1-2 years £000	2 - 5 years £000	Over 5 years £000
Borrowings	40,416	40,051	143,064	198,657
Trade and other payables	854,177	-	-	-
Derivative contracts - receipts	(173,136)	-	-	-
Derivative contracts - payments	178,848	-	-	-

## 18 Commitments

### Minimum lease payments under finance leases fall due as follows:

	2008 £000	2007 £000
Not later than one year	6,872	7,416
Later than one year but not more than five years	28,593	29,558
More than five years	91,363	89,063
	126,828	126,037
Future finance charges on finance leases	(24,822)	(34,495)
<b>Finance lease liabilities</b>	<b>102,006</b>	<b>91,542</b>

## 19 Related parties

The Company had transactions in the ordinary course of business during the financial year under review with related parties

	2008 £000	2007 £000
Sales to group undertakings	69,093	104,172
Purchases from group undertakings	33,655	26,832
Amounts owed by group undertakings	158,237	724,839
Amounts owed to group undertakings	618,667	845,866

Transactions with group companies are carried out on an arm's length basis. Outstanding balances that relate to trading balances are placed on intercompany accounts with no specified credit period. Intercompany balances owed to and from the Company by group companies bear market rates of interest in accordance with intercompany loan agreements and have no specific repayment terms. Sales to group companies in 2007 include sales at net book value of aircraft, and purchases from group companies include the impact of group treasury activities described in note 16.

## 20 Ultimate controlling company

The Company's parent and ultimate controlling company is easyJet plc, incorporated in England and Wales.

The only group in which the results of the company are consolidated is that headed up by easyJet plc, financial statements of which can be obtained from easyJet plc, Hangar 89, London Luton Airport, Luton, LU2 9PF.

COMPANY NUMBER:- 113232

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MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION

easyJet Leasing Limited

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**easyJet Leasing Limited**

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RESOLUTIONS OF THE DIRECTORS OF THE COMPANY  
EFFECTIVE THE 30<sup>TH</sup> DAY OF NOVEMBER 2007.

---

CHANGE OF REGISTERED OFFICE ADDRESS

IT WAS RESOLVED that the Directors acknowledge and approve the Registered Office Address Change of the Company is from FCM LTD. Grand Pavilion Commercial Centre, Main Entrance, PO Box 1982, Grand Cayman KY1-1104, Cayman Islands to FCM LTD. Governor's Square, West Bay Road, #1-205, PO Box 1982, Grand Cayman KY1-1104, Cayman Island with immediate effect.

  
Director

  
Director

  
Director

  
Director

  
Director

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OF ORIGINAL.

  
NOTARY PUBLIC

**EASYJET LEASING LIMITED**


We Offshore Secretaries Ltd., Assistant Secretary of easyJet Leasing Limited, do hereby certify that the following is a copy of a resolution passed by the Directors of the Company on 1<sup>st</sup> January 2002.

---

**CHANGE OF REGISTERED OFFICE**

IT WAS RESOLVED that the Registered Office of the Company be transferred from the offices of Moore Stephens, PO Box 1782 GT, 3<sup>rd</sup> Floor, West Wind Building, George Town, Grand Cayman to the offices of F.C.M. Ltd., Grand Pavilion, Main Entrance, West Bay Road, PO Box 1982 GT, Grand Cayman.

The Assistant Secretary was authorised to record the change in the statutory books of the Company and to advise the Registrar of Companies of the change.

  
pp Offshore Secretaries Ltd.  
Assistant Secretary



THE COMPANIES LAW (REVISED)  
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

easyJet Leasing Limited

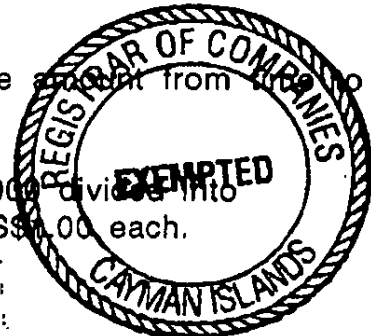
REGISTERED AND FILED  
AS NO. 13253 THIS 4<sup>th</sup> DAY  
OF OCTOBER 2001

ASST REGISTRAR OF COMPANIES  
CAYMAN ISLANDS

CERTIFIED TRUE COPY  
OF ORIGINAL

NOTARY PUBLIC

1. The name of the Company is easyJet Leasing Limited
2. The Registered Office of the Company shall be at the offices of Moore Stephens, 3rd Floor, West Wind Building, Block A, P.O. Box 1782, GeorgeTown, Grand Cayman, Cayman Islands, British West Indies.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (2001 Revision).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is US\$50,000 divided into 50,000 shares of a nominal or par value of US\$1.00 each.



We, the undersigned, are desirous of being formed into a company pursuant to this Memorandum of Association and the Companies Law (2001 Revision), and we hereby agree to take the number of shares set opposite our respective names below.

Dated this 4th day of October 2001.

SIGNATURE, NAME, OCCUPATION,  
AND ADDRESS OF SUBSCRIBER

NUMBER OF SHARES  
TAKEN BY SUBSCRIBER

Offshore Nominees Ltd., a Cayman Islands  
Company of 3rd Floor, West Wind Bld., Block A,  
P.O. Box 1782G, Grand Cayman

2

*[Signature]*  
pp Offshore Nominees Ltd.

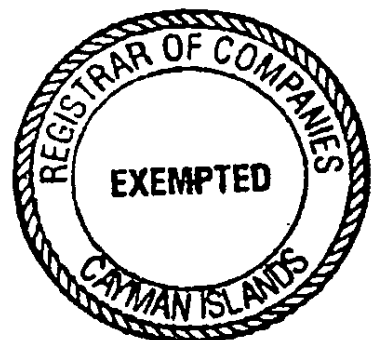
(Sgd.)

*Ben Leung*

Witness to the above signature: Siew Ben Leung

Address: 3rd Floor, West Wind Bldg., Block A,  
P.O. Box 1782G, Grand Cayman

Occupation: Accountant



THE COMPANIES LAW (1998 REVISION)  
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

easyJet Leasing Limited

---

REGISTERED AND FILED  
AS NO. 3530 THIS 4<sup>th</sup> DAY  
OF October 2001

ASST REGISTRAR OF COMPANIES  
CAYMAN ISLANDS

CERTIFIED TRUE COPY  
OF ORIGINAL.

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1. TABLE A

1.01 The regulations in Table A in the Schedule to the Companies Law (1998 Revision) do not apply to this company.

2. INTERPRETATION

2.01 In these Articles where the context permits:

"Articles" means these Articles of Association as altered from time to time;

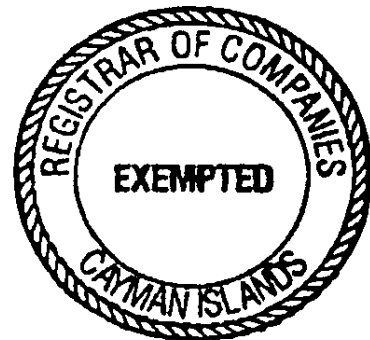
"Auditors" means the auditors for the time being of the Company;

"circular resolution" means a resolution passed in accordance with these Articles without a meeting;

"class meeting" means a separate meeting of the holders of a class of shares;

"clear days" in relation to notice of a meeting means days falling after the day on which notice is given or deemed to be given and before the day of the meeting;

"Company" means the above-named company;



"Directors" means the directors, or the sole director, for the time being of the Company;

"holder" in relation to a share of the Company means the member or members for the time being registered in the Register as the holder of the share;

"month" means calendar month;

"ordinary resolution" means a resolution passed at a general meeting (or, if so specified, a class meeting) of the Company by a simple majority of the votes cast, or a circular resolution;

"paid-up" means paid-up or credited as paid-up;

"Register" means the register of members of the Company;

"Registered Office" means the registered office for the time being of the Company;

"Seal" means the common seal or any official or duplicate seal of the Company;

"Secretary" means the secretary or assistant secretary for the time being of the Company;

"share" includes a fraction of a share;

"special resolution" means a resolution passed at a general meeting (or, if so specified, a class meeting) of the Company by a majority of two thirds of the votes cast, as provided in the Statute, or a circular resolution;

"Statute" means the Companies Law (1998 Revision) of the Cayman Islands and every modification or re-enactment thereof for the time being in force;

"written" and "in writing" import all methods of representing, reproducing or communicating words or numerals in permanent visible form, including printing, lithography, photography, telecopying and telexing;

"year" means calendar year.

2.02 In these Articles where the context permits:

- (a) Words importing the singular number include the plural and vice versa;
- (b) Words importing the masculine gender include the feminine gender and vice versa;
- (c) Words importing persons include companies or associations or bodies of persons, corporate or unincorporate;
- (d) The word "may" is permissive; the word "shall" is imperative;
- (e) A reference to a statutory provision shall be deemed to include any amendment or re-enactment thereof.

2.03 Subject as aforesaid, words defined or used in the Statute have the same meaning in these Articles.

2.04 The headings in these Articles are for ease of reference only and shall not affect the construction or interpretation of these Articles.

### 3. PRELIMINARY

3.01 The Company may commence business immediately upon registration pursuant to the Statute.

3.02 The Company may ratify any contract or other transaction entered into in its name or on its behalf prior to registration.

3.03 The preliminary expenses of incorporating the Company shall be paid by the Company, including any expenses concerned with the issue of shares by the Company or with any contract or transaction ratified pursuant to the foregoing Sub-Article. The preliminary expenses may be charged to income or capital or amortised over any period as the Directors think fit.

#### 4. CLASSIFICATION OF SHARES

4.01 Subject to the Memorandum of Association and subject to any directions of the Company in general meeting, the unissued shares of the Company may from time to time be divided or sub-divided into such classes, or re-classified, and be issued with such preferred, deferred or other special rights, privileges, restrictions or obligations, whether in regard to dividend, voting, transfer, forced sale, conversion, winding-up entitlement or otherwise as the Directors think fit. This Sub-Article is without prejudice to other provisions of these Articles restricting the variation of rights attached to shares already in issue.

4.02 The rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, be varied or abrogated with the sanction of a special resolution passed at a class meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issue of further shares ranking equally with them.

#### 5. ISSUE OF SHARES

5.01 Subject to any directions of the Company in general meeting and subject to any special rights of shares already issued, all shares in the Company for the time being unissued shall be under the control of the Directors who may issue and dispose of the same (including the issue or grant of options, warrants and other rights, renounceable or otherwise, in respect of shares) at such times, to

such persons, on such terms and in such manner as they think fit, provided that no share shall be issued at a discount except in accordance with the Statute.

5.02 Save as expressly provided by its terms of issue, no share shall confer on the holder any pre-emptive or other right in respect of any further shares that may be issued.

5.03 Fractions of a share may be issued if the Directors think fit. The holder of a whole share (or a fraction of a share), if fully paid-up, may divide it into fractions for the purpose of a transfer, redemption or other disposition, provided that, without the prior approval of the Directors, the holder may only create a fraction which can be expressed as a whole number of hundredths of a whole share. Subject to the terms of issue of the fraction, or of the whole share from which it was derived, a fraction of a share shall carry the corresponding fraction of all the attributes of a whole share.

5.04 Subject to the Statute, shares need not have distinguishing numbers.

5.05 The Directors may pay or authorise payment of a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but a commission exceeding ten percent of the price at which the shares are issued, or to be issued, shall not be paid without the sanction of an ordinary resolution.

## 6. REGISTER OF MEMBERS AND RECORD DATES

6.01 The Register shall be kept in accordance with the Statute. If the Company is exempted the Register may be kept outside the Cayman Islands at such place as the Directors shall appoint.

6.02 The Company may keep one or more duplicates of the Register in such place or places as the Directors think fit but in the event of a discrepancy the main Register shall prevail.

6.03 The Company shall not be bound to register more than four persons as the joint holders of any share.

6.04 Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction no person shall be entitled to recognition by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register or on a share certificate in respect of a share, then, except as aforesaid:

- (a) such notice shall be deemed to be solely for the holder's convenience;
- (b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;
- (c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and
- (d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

6.05 The Company may, without the necessity of giving any notice, close the Register for any period or periods not exceeding in the aggregate forty-five days in each year.

6.06 In lieu of or apart from closing the Register the Directors may fix a date as the record date for determining members entitled to receive notice of a general meeting or a class meeting or for determining members entitled to vote at any such meeting or for determining members entitled to receive a dividend or other distribution or for determining members for any other purpose; but, unless so fixed, the record date shall be as follows:

- (a) as regards the entitlement to receive notice of a meeting or notice of any other matter, the date of despatch of the notice;
- (b) as regards the entitlement to vote at a meeting, and any adjournment thereof, the date of the original meeting;
- (c) as regards the entitlement to a dividend or other distribution, the date of the Directors' resolution declaring the same.

## 7. SHARE CERTIFICATES

7.01 Share certificates shall be in such form as the Directors determine provided that a share certificate shall specify the name of the holder and the number and class of shares to which it relates and the amount paid up thereon. Share certificates may not be issued in bearer form.

7.02 Share certificates shall be issued under the Seal affixed in accordance with these Articles provided that the Directors may authorise share certificates to be issued with the Seal or the authorised signature(s) affixed or represented by printing or other mechanical process.

7.03 Every person whose name is entered as a member in the Register shall be entitled on request to one certificate for all his shares of each class or, upon payment of a fee not exceeding ten United States dollars per additional certificate, to several certificates, each representing a part of his holding. A member whose holding of shares has been reduced by transfer, redemption or otherwise shall be entitled on request to a certificate for the balance.

- 7.04 In the case of joint holders the Company shall not be bound to issue more than one share certificate; and delivery of the certificate to one of the holders shall be sufficient delivery to all the holders.
- 7.05 A member wishing to exercise his rights, if any, to transfer or redeem shares in accordance with these Articles may do so only upon surrendering to the Company the share certificate(s), if any, representing such shares.
- 7.06 If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or, if alleged to have been lost, stolen or destroyed, compliance with such conditions as to evidence and indemnity and the payment of expenses of the Company in connection with the request (including the investigation of evidence) as the Directors think fit.
8. TRANSFER OF SHARES
- 8.01 Transfers of shares shall be in writing in any usual or common form in use in the Cayman Islands or in any other form approved by the Directors.
- 8.02 A share transfer shall be signed by or on behalf of the transferor and, in the case of partly paid shares, by the transferee also.
- 8.03 The transferor of a share shall be deemed to remain the holder of the share until the name of the transferee is entered into the Register in respect thereof.
- 8.04 Subject to any special terms of issue of the shares, the Directors may in their absolute discretion decline to register a transfer of shares without assigning any reason therefor. If the Directors decline to register a transfer, they shall notify the transferee within thirty days after their decision.

8.05 In the case of a transfer of shares issued subject to special restrictions or requirements as to transfer the Directors may, as a condition of approval or registration, require the transferor to reimburse the Company for all expenses incurred in connection with the transfer.

8.06 The registration of transfers shall be suspended during any period in which the Register is closed in accordance with these Articles.

## 9. TRANSMISSION OF SHARES

9.01 Following the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to the shares previously held by the deceased, but nothing in this Article shall release the estate of the deceased from any liability in respect of shares which had been held by him, whether solely or jointly.

9.02 A person becoming entitled to a share by reason of the death or bankruptcy of the holder or otherwise by operation of law may upon producing such evidence of his title as the Directors may require, elect either to be registered himself as the holder of the share or to make such transfer of the share as the holder could have made, but in either case the Directors shall have the same right to decline or suspend registration as they would have had in the case of a transfer by the holder. An election pursuant to this Sub-Article to be registered as holder shall be made in writing signed by or on behalf of the person making the election.

9.03 A person entitled to make an election pursuant to the foregoing Sub-Article shall, pending election, have the right to receive (and to give a good discharge for) all monies payable in respect of the share, the same right (if any) as the holder to call for the redemption of the share, and the same right as the holder to enter into an agreement for the purchase of the share by the Company; but such person shall not be entitled to receive notice of, or attend or vote at, general meetings or class meetings of the Company nor, save as

aforesaid, to any of the rights or privileges of a member; and the Directors may at any time give him notice requiring election pursuant to the foregoing Sub-Article and, if there is no election within ninety days of the notice, the Directors may thereafter withhold all monies payable in respect of the share until such time as the election is made.

#### 10. REDEMPTION OF SHARES

10.01 Subject to the Statute, the Company is hereby authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder; but, save for shares declared to be redeemable by the Memorandum of Association, the Directors shall not issue redeemable shares without the sanction of an ordinary resolution.

10.02 The Company is hereby authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Statute.

10.03 Unless fixed by the ordinary resolution sanctioning its issue the redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Directors at or before the time of issue;

10.04 Unless otherwise provided or directed by the ordinary resolution sanctioning the issue of the shares concerned:

- (a) every share certificate representing a redeemable share shall indicate that the share is redeemable;
- (b) in the case of shares redeemable at the option of the holder a redemption notice from the holder may not be revoked without the agreement of the Directors;

- (c) at the time or in the circumstances specified for redemption the redeemed shares shall be cancelled and shall cease to confer on the holder any right or privilege, without prejudice to the right to receive the redemption price, which price shall become payable so soon as it can with due despatch be calculated, but subject to surrender of the relevant share certificate for cancellation (and reissue in respect of any balance);
- (d) the redemption price may be paid in any manner authorised by these Articles for the payment of dividends;
- (e) a delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by class A banks in the Cayman Islands for thirty day deposits in the same currency;
- (f) the Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Statute (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose);
- (g) subject as aforesaid, the Directors may determine as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.

10.05 No share may be redeemed unless it is fully paid-up.

## 11. PURCHASE OF SHARES BY THE COMPANY

11.01 Subject to the Statute, and with the sanction of an ordinary resolution authorising the manner and terms of purchase, the Directors may on behalf of the Company purchase any share of the Company (including a redeemable share) by agreement with the

holder or pursuant to the terms of issue of the share, and may make payments in respect of such purchase out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Statute.

11.02 Shares purchased by the Company shall be cancelled and shall cease to confer any right or privilege on the seller.

11.03 No share may be purchased by the Company unless it is fully paid-up.

## 12. CALLS ON SHARES AND FORFEITURE

12.01 If a share has been issued partly paid (or nil paid), then, subject to the terms of issue, the Directors may from time to time make calls upon the holder in respect of the monies unpaid on the share, whether in respect of the nominal value or the premium (if any), and, subject as aforesaid:-

- (a) the holder shall be given written notice of the call;
- (b) the date for payment of the call shall be not less than thirty days after the date of the notice of call;
- (c) payment of the call shall be made at the Registered Office or such other place as shall be specified in the notice of call;
- (d) a call may be made payable by installments;
- (e) a call may be revoked or postponed;
- (f) the Directors may differentiate between holders of different shares as to the time or amount of calls;
- (g) if full payment pursuant to a call is not made on or before the due date, interest may in the Directors' discretion be charged at a rate not exceeding ten percent per annum;
- (h) if payment pursuant to a call is not made on or before the due

date, the Directors may, in addition to interest under the foregoing paragraph, require the holder to indemnify the Company for any expenses incurred by reason of non-payment, including expenses incurred in enforcing the Company's rights under these Articles;

- (i) the joint holders of a share shall be jointly and severally liable for all calls (and interest and other monies due in respect of calls) on the share;
- (j) a holder may not require the Company to make a call on his shares or, in the absence of a call, pay up any amount unpaid on his shares, but the Directors may accept advances from the holder to be applied against future calls on such terms as to interest and repayment as the Directors may determine.

12.02 Any sum which by the terms of issue of a share becomes payable upon issue or at any fixed date, whether in respect of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to have been duly called and to be immediately payable and, in the event of non-payment, all the provisions of these Articles as to the payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

12.03 If full payment pursuant to a call is not made on or before the due date, the Directors may at any time thereafter give the holder a forfeiture notice stating the amount which remains unpaid (including any accrued interest and expenses owed to the Company by reason of non-payment) and appointing the day, not less than fourteen days after the date of the forfeiture notice, on which the shares shall be forfeited unless payment of the stated amount has by then been paid in full. If the stated amount has not by then been paid in full the shares shall be forfeited accordingly.

12.04 In the event of forfeiture the holder shall cease to be a member in respect of the forfeited shares and shall cease to have any right, title or interest in or to the shares but shall remain liable for all

amounts due before forfeiture; and the Company may enforce such liability without making any allowance for the value of the shares at the time of forfeiture.

12.05A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of for the benefit of the Company to such person or persons, upon such terms and in such manner as the Directors think fit. Without limiting the foregoing generality, the Directors may determine whether and to what extent the share shall be treated as paid-up by payments made, or credited as made, thereon prior to forfeiture.

12.06At any time before the sale, re-allotment or other disposal of a forfeited share the Directors may cancel the forfeiture on such terms as they think fit.

12.07A note in the Register or a certificate under the hand of the Secretary that a share has been forfeited at a stated time shall be conclusive evidence of those facts in favour of any person to whom the share is sold, re-allotted or disposed of, and his title to the share shall not be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal.

### 13. LIEN ON SHARES

13.01The Company shall have a first and paramount lien and charge on all shares, whether or not fully paid-up, for all the debts and obligations of the holder (or, in the case of joint holders, of any one or more of the joint holders) but the Directors may at any time waive the lien generally or as regards any particular debt or obligation or category of debts or obligations.

13.02The registration of a transfer of shares shall operate as a waiver of the Company's lien thereon in respect of the debts or obligations of the transferor.

13.03 The Company's lien on a share shall extend to all dividends and other monies and benefits payable in respect of the share.

13.04 The Company may sell any share on which the Company has a lien if an amount secured by the lien is presently payable but not until the expiration of fourteen days after written notice to the holder stating and demanding payment of the said amount and stating the Directors' intention of effecting a sale.

13.05 A sale by the Company pursuant to the foregoing Sub-Article shall be effected in such manner as the Directors think fit; and the Directors may authorise some person to do and execute such transfers and other documents and things on behalf of the holder as may appear to the Directors necessary or desirable for the purpose of carrying out the sale and entering the purchaser or purchasers in the Register.

13.06 The proceeds of a sale by the Company pursuant to this Article shall be applied in payment of the amount secured by the lien which is presently payable and the balance, if any, shall be paid to the person who was the holder of the shares before the sale unless there are debts or obligations of that person, not presently payable, which were secured by the lien on the shares, in which case the Company shall have the same lien and charge on the said balance of the proceeds of sale as it had on the shares.

#### 14. ALTERATION OF CAPITAL

14.01 Subject to the Statute the Company may from time to time by ordinary resolution alter the conditions of its Memorandum of Association to increase its share capital by new shares of such amount as it thinks expedient or, if the Company is exempted and has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient. All new shares shall be subject to the provisions of these Articles concerning calls, forfeiture, lien, transfer, transmission, disposal by the Directors and otherwise as the original shares.

14.02 Subject to the Statute, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum of Association to:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum of Association; or
- (c) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled or, in the case of shares without par value, diminish the number of shares into which its capital is divided.

For the avoidance of doubt it is declared that paragraphs (a) and (b) above do not apply if the Company is an exempted company and its shares have no par value.

14.03 Subject to the Statute, the Company may from time to time by special resolution reduce its share capital in any way or alter any conditions of its Memorandum of Association relating to share capital.

## 15. ALTERATION OF REGISTERED OFFICE, NAME AND OBJECTS

15.01 Subject to the Statute, the Company may by resolution of its Directors change the location of its Registered Office.

15.02 Subject to the Statute, the Company may from time to time by special resolution change its name or alter its objects or make any other alteration to its Memorandum of Association for which provision has not been made elsewhere in these Articles.

## **16. GENERAL MEETINGS**

**16.01** The Company shall in each year hold a general meeting as its Annual General Meeting, provided that, if the Company is an exempted company, it may by ordinary resolution determine that no Annual General Meeting need be held in a particular year or years or indefinitely. The time and place of Annual General Meetings shall be determined by the Directors.

**16.02** General meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Directors may call or authorise the calling of an Extraordinary General Meeting whenever they think fit.

## **17. REQUISITION OF GENERAL MEETINGS**

**17.01** The Directors shall call an Extraordinary General Meeting on the requisition of members holding at the date of the requisition not less than one tenth in number of the issued shares of the Company for the time being carrying the right to vote at general meetings of the Company. To be effective the requisition shall state the objects of the meeting, shall be in writing, signed by the requisitionists, and shall be deposited at the Registered Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.

**17.02** If the Directors do not within twenty-one days from the date of the requisition duly proceed to call an Extraordinary General Meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an Extraordinary General Meeting; but any meeting so called shall not be held more than ninety days after the requisition. An Extraordinary General Meeting called by requisitionists shall be called in the same manner, as nearly as possible, as that in which general meetings are to be called by the Directors.

## 18. NOTICE OF GENERAL MEETINGS

18.01 At least fourteen clear days notice in writing shall be given of a general meeting to all members entitled as at the record date for the notice provided that:

- (a) an Extraordinary General Meeting may be called by shorter notice (but not shorter than two clear days) if so agreed by a member or members (or their proxies or representatives) holding in the aggregate, as at the record date for the meeting, shares conferring the right to cast seventy-five percent of the votes that could be cast on a poll if all members so entitled attended the meeting;
- (b) an Annual General Meeting or an Extraordinary General Meeting may be held without notice and without observing any of the requirements or provisions of these Articles concerning general meetings if so agreed by all the members (or their proxies or representatives) entitled as at the date of the meeting to attend and vote at general meetings;

and agreement for the purposes of the foregoing paragraphs (a) or (b) may be reached before, during or within thirty days after the meeting concerned.

18.02 The notice of a general meeting shall specify:

- (a) the place, the day and the hour of the meeting and, if different, the record date for determining members entitled to attend and vote; and
- (b) the general nature of any special business to be conducted at the meeting; and for this purpose all business shall be deemed special which is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting with the exception of the consideration and approval of the report of the Directors, the financial statements of the Company and the report of the Auditors (if

any), and the election or re-election of the Auditors and approval of their remuneration.

18.03 The Directors and the Auditors, if any, shall be entitled to receive notice of, and to attend and speak at, any general meeting of the Company.

18.04 The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

#### 19. PROCEEDINGS AT GENERAL MEETINGS

19.01 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two members entitled to vote, present in person or by proxy, shall be a quorum provided that, if the Company has only one member entitled to vote, that member, present in person or by proxy, shall be a quorum.

19.02 If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Directors may determine and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the member or members present shall be a quorum.

19.03 The chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the Company; or, if there is no such chairman or if he shall not be present at the time appointed for the meeting, or if he is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting; or, if no Directors are present at the time appointed for the meeting or no Director is willing to act as chairman, then the members present shall choose one of their number to be chairman of the meeting.

19.04 The chairman may, with the consent of any general meeting duly constituted, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

19.05 At any general meeting a resolution put to the vote of the 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 by the chairman or any member entitled to vote, present in person or by proxy. Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

19.06 If any votes are counted which ought not to have been counted, or which might have been rejected, the error shall not vitiate the resolution unless pointed out at the same meeting, or at any adjournment thereof, and not in that case unless in the opinion of the chairman (whose decision shall be final and conclusive) it is of sufficient magnitude to vitiate the resolution.

19.07 If a poll is duly demanded, it shall be taken in such manner as the chairman directs. Without limiting the foregoing generality, the chairman may direct the use of ballot or voting papers, may appoint scrutineers and, subject to the next Sub-Article, may adjourn the meeting to some other time or place for the purpose of conducting the poll or declaring its result. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 19.08A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. In any other case the poll shall be taken not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded.
- 19.09The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 19.10The demand for a poll may be withdrawn at any time before the taking of the poll, but in that case the chairman or any other member entitled to vote may then demand a poll.
- 19.11In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

## 20. VOTES OF MEMBERS

- 20.01Subject to any special rights or restrictions for the time being attached to any shares or any class of shares, every member as at the record date who is present in person or by proxy shall have:
- (a) on a show of hands one vote; and
  - (b) on a poll one vote for each whole share (and a corresponding fraction of a vote for every fraction of a share) registered in his name in the Register as at the record date, provided that a partly paid share shall confer a fraction of a vote according to the proportion borne by the amount paid-up on the share to the total issue price (including share premium, if any).
- 20.02In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the

names of the holders stand in the Register.

20.03A member shall not be entitled to attend or vote at general meetings if and as long as any call or other sum in respect of shares is presently payable by him.

20.04Subject to production of such evidence as the Directors may require, a member of unsound mind, or in respect of whom an order has been made by any court in the Cayman Islands or elsewhere having jurisdiction in lunacy may vote on a show of hands or on a poll by his committee, receiver, curator bonis, guardian or other person appointed by the court, and any such committee, receiver, curator bonis, guardian or other person may vote by proxy.

20.05No objection shall be raised to the qualification of any voter except at the general meeting at which the vote objected to is given or tendered or at any adjournment thereof, and every vote not disallowed at such general meeting or adjournment shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

20.06On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

20.07A corporation, whether formed in the Cayman Islands or elsewhere, which is a member may authorise such person as it thinks fit to act as its representative at any general meeting of the Company and the person so authorised shall be entitled to exercise the same voting and other powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual member of the Company. A corporation whose representative is present at a meeting shall itself be deemed to be present in person at the meeting and shall be counted towards the quorum. Nothing in this Article shall be construed as preventing a corporation from appointing a proxy.

## 21. PROXIES

21.01 The appointment of a proxy shall be by written instrument under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

21.02 A proxy need not be a member of the Company.

21.03 The instrument appointing a proxy may be in any usual or common form or otherwise acceptable to the chairman of the meeting for which the instrument is first presented.

21.04 The instrument appointing a proxy may contain restrictions or directions as to the manner in which, or the matters upon which, the proxy may vote, but subject thereto the proxy may vote on any matter in such manner as the proxy thinks fit and may exercise the same powers as his appointor could exercise if present, including the power to demand a poll.

21.05 The instrument appointing a proxy may be expressed to be for a particular meeting or particular meetings or to be effective generally until revoked. An appointment for a particular meeting or meetings shall be presumed, in the absence of clear provision to the contrary, to extend to any adjournment of such meeting or meetings.

21.06 The instrument appointing a proxy (and any power of attorney or other authority under which it is signed, or a notarially certified copy of such authority) shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice of meeting; and such deposit shall be made no later than the time for holding the meeting, provided that the Directors may in giving notice of the meeting stipulate that instruments of proxy shall be deposited up to forty-eight hours before the time for holding the meeting. Such deposit may be made by telecopier transmission, but may be disallowed at or before the meeting by the Directors or the chairman of the meeting if in his or their opinion there are material doubts as to authenticity or content. The chairman of the meeting

may at his discretion direct that the deposit of an instrument of proxy (or other requisite document) shall be deemed to have been duly made, if satisfied that the instrument of proxy duly signed (or other requisite document) is in the course of transmission to the Company.

21.07A proxy shall have no powers, as such, at any meeting at which his appointor is present in person or, being a corporation, by a duly authorised representative. If two or more proxies are present at a meeting and in accordance with their terms of appointment seek to vote on the same matter in respect of the same shares, the chairman shall in his absolute discretion decide which vote to accept and which vote or votes to disallow, or he may disallow all such votes.

21.08The Directors may at the expense of the Company send to the members instruments of proxy (with or without prepaid postage for their return) for use at any general meeting, either in blank or (but only if such instruments are sent to all members entitled to attend and vote) nominating one or more Directors or other persons.

21.09All resolutions passed at a general meeting shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a proxy or that the appointment had been revoked or otherwise terminated prior to the meeting, be as valid as if every such proxy had been and remained duly appointed.

## 22. CIRCULAR RESOLUTIONS OF THE MEMBERS

22.01A resolution in writing, in one or more counterparts, signed by all the members for the time being entitled to receive notice of and attend and vote at general meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly called and held, and shall satisfy any requirement of these Articles for a resolution to be passed by the Company in general meeting.

## **23. CLASS MEETINGS**

**23.01** All the provisions of these Articles regulating Extraordinary General Meetings (as to call, requisition, notice, proceedings, votes, proxies, circular resolutions and otherwise) apply equally to class meetings save only that references to members shall be construed as references to members holding shares of the relevant class.

## **24. APPOINTMENT OF DIRECTORS**

**24.01** By ordinary resolution the Company may set a lower limit or an upper limit on the number of Directors and may from time to time vary any such limit; subject as aforesaid, there shall be at least one Director and there shall be no upper limit.

**24.02** There shall be no shareholding qualification for Directors unless prescribed by special resolution.

**24.03** The first Directors shall be appointed in writing by the subscribers of the Memorandum of Association or a majority of them.

**24.04** The Directors may 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, subject to any upper limit on the number of Directors prescribed pursuant to this Article.

**24.05** The Company may from time to time by ordinary resolution appoint any person to be a Director and may in like manner remove any Director from office, whether or not appointing another in his stead.

**24.06** An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent Annual General Meeting or upon any specified event or after any specified period; but no such term shall be implied in the absence of express provision.

24.07 Without prejudice to other provisions of these Articles for the retirement or removal of Directors, the office of a Director shall be vacated:

- (a) if he resigns as Director by notice to the Company in writing signed by him;
- (b) if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) if he becomes of unsound mind or an order for his detention is made under the Mental Health Law or any analogous law of a jurisdiction outside the Cayman Islands.

## 25. REMUNERATION OF DIRECTORS

25.01 Subject to any direction that may be given by the Company in general meeting, the remuneration of the Directors shall be in such amount or at such rate, and upon such terms as the Directors may from time to time determine. Special remuneration may be agreed with or given to any Director who has undertaken, or is required to undertake, any special work, service or mission beyond the ordinary routine work of a Director.

25.02 An Alternate Director shall not be remunerated as such by the Company provided that he may, if the Directors think fit, be remunerated for any special work, service or mission beyond the ordinary routine work of a Director or Alternate Director.

## 26. TRANSACTIONS WITH DIRECTORS

26.01 A Director may hold any other executive or non-executive office or place of profit in or under the Company, other than the office of Auditor, on such terms as to tenure, remuneration, indemnity and otherwise as the Directors may determine.

26.02A Director may act by himself or his firm in a professional capacity for the Company and shall be entitled to the same remuneration, indemnity and other privileges as if he were not a Director.

26.03A Director may be a member or director or hold any other executive or non-executive office or place of profit in or under any company or association promoted by the Company or in which the Company may be interested or associated, and may exercise and enjoy the rights, privileges and benefits of any such position without being accountable in any way to the Company.

26.04 No person shall be disqualified from the office of Director by, or be prevented by such office from, contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract (or any other contract or arrangement entered into by or on behalf of the Company in which a Director shall be in any way interested) be liable to be avoided, nor shall any Director be liable to account to the Company for any profit realised by any such contract or arrangement; but the nature of his interest shall be disclosed by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at that time interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested.

26.05A Director may vote in respect of any contract, arrangement or other matter which may be proposed, notwithstanding that he has an interest therein provided that the nature of his interest shall have been disclosed to the Directors prior to the Directors' resolution.

26.06 For the avoidance of doubt it is declared that a Director shall be regarded as having an interest in any matter in which he has a duty conflicting with his duty to the Company, and also in any proposal to ratify a contract or transaction entered into by him in the name or on behalf of the Company prior to its registration.

26.07 A general notice that a Director is a shareholder, director or officer of, or otherwise interested in, a specified company or association and is to be regarded as interested in any transaction with such company or association shall be a sufficient disclosure for the purposes of this Article and thereafter it shall not be necessary to give any further notice relating to a particular transaction with that company or association.

26.08 The Company may from time to time by ordinary resolution impose and vary rules more or less restrictive of Directors having conflicting interests.

26.09 The provisions of this Article concerning Directors apply equally to Alternate Directors. For the purposes of this Article an interest of a Director shall be deemed to be an interest of his Alternate Director, and vice versa.

## 27. ALTERNATE DIRECTORS AND PROXIES

27.01 A Director may at any time appoint any person (including another Director) to be his Alternate Director and may at any time terminate such appointment. An appointment and a termination of appointment shall be by notice in writing signed by the Director and deposited at the Registered Office or delivered at a meeting of the Directors.

27.02 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 for any reason to be a Director.

27.03 An Alternate Director shall be entitled to receive notices of meetings of the Directors 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 perform all the functions of his appointor as a Director; and for the purposes of the proceedings at such meeting these Articles shall apply as if he (instead of his appointor) were a Director, save that he may not himself appoint an Alternate Director or a proxy.

27.04 If an Alternate Director is himself a Director or attends a meeting of the Directors as the Alternate Director of more than one Director, his voting rights shall be cumulative.

27.05 Unless the Directors determine otherwise, an Alternate Director may also represent his appointor at meetings of any committee of the Directors on which his appointor serves; and the provisions of this Article shall apply equally to such committee meetings as to meetings of the Directors.

27.06 If so authorised by express provision in his notice of appointment, an Alternate Director may join in a circular resolution of the Directors adopted pursuant to these Articles and his signature of such resolution shall be as effective as the signature of his appointor.

27.07 Save as provided in these Articles an Alternate Director shall not, as such, have any power to act as a Director or to represent his appointor and shall not be deemed to be a Director for the purposes of these Articles.

27.08 A Director who is not present at a meeting of the Directors, and whose Alternate Director (if any) is not present at the meeting, may be represented at the meeting by a proxy duly appointed, in which event the presence and vote of the proxy shall be deemed to be that of the Director. All the provisions of these Articles regulating the appointment of proxies by members shall apply equally to the appointment of proxies by Directors.

## 28. PROCEEDINGS OF DIRECTORS

28.01 A meeting of the Directors for the time being at which a quorum is present (or, if there is a sole Director, such Director) shall be competent to exercise all or any of the powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.

28.02 Except as otherwise provided by these Articles, the Directors shall meet together for the dispatch of business, convening, adjourning and otherwise regulating their meetings as they think fit.

28.03 A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors. Notice thereof shall be given to each Director and Alternate Director in writing or by telephone or orally. Not less than five clear days notice shall be given save that all the Directors (or their Alternate Directors) may waive notice of the meeting at, before or after the meeting is held.

28.04 A meeting of the Directors may be held, and any Director may participate in a meeting, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other; and such participation shall be deemed to constitute presence in person at the meeting.

28.05 The quorum necessary for the transaction of business at a meeting of the Directors may be fixed by the Directors and, unless so fixed at any other number, shall be two or, if there is only one Director for the time being in office, one.

28.06 For the avoidance of doubt it is declared that an Alternate Director shall not be entitled to attend or vote at a meeting of the Directors or be counted towards the quorum if his appointor be present; and the proxy of a Director shall not be so entitled or counted if either the appointing Director or his Alternate Director be present.

28.07 The Directors may at any time elect a chairman and, if they think fit, a deputy chairman and may determine the period for which they respectively are to hold office. Subject to any such determination, the Directors may at any time remove a chairman or deputy chairman from office. A chairman or deputy chairman shall automatically cease to hold office if for any reason he ceases to hold office as a Director.

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

28.09 The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the minimum number of Directors or as the necessary quorum for meetings of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to the requisite number, or of summoning a general meeting of the Company, but for no other purpose.

28.10 All resolutions passed and other acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director, Alternate Director or proxy, or that they or any of them were disqualified or had otherwise ceased to hold office, be as valid as if every such person had been duly appointed and qualified and continued to hold the office or position of Director, Alternate Director or proxy, as the case may be. This Article shall apply equally to a case in which there was no appointment as to the case in which there was a defective appointment.

28.11 A Director who is present at a meeting of the Directors at which action on any matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or he shall file his written dissent with the person acting as the secretary of the meeting before the adjournment thereof or shall send his written dissent to the Registered Office immediately after the meeting, provided that this right of dissent shall not apply in the case of a Director who voted in favour of the action.

28.12 A resolution in writing, in one or more counterparts, signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and held.

28.13 If the Company is exempted, at least one meeting of the Directors shall be held in the Cayman Islands in each year and, if in any year no such meeting has theretofore been held, it shall be held without the necessity of notice at the registered office at noon on the first Monday in December or, if that is not a business day in the Cayman Islands, on the next day which is a business day.

## 29. MINUTES AND REGISTERS

29.01 In accordance with the Statute the Directors shall cause minutes to be kept of all resolutions and proceedings of members, whether at general meetings, class meetings or otherwise, and of Directors or managers (if any), or committees of Directors (if any), whether at meetings or otherwise. Such minutes shall be kept in writing at the Registered Office or at such other location as the Directors may determine.

29.02 The minutes of a meeting, whether of the members or the Directors or a committee of the Directors, when signed by the person acting as the chairman of the meeting or by the person acting as the chairman of the next following meeting, shall until the contrary be proved be accepted as conclusive evidence of the matters stated in the minutes.

29.03 The Directors shall cause to be kept at the Registered Office the register of Directors and officers and the register of mortgages and charges required by the Statute. Alternate Directors shall be entered in the register of Directors and officers.

## 30. POWERS OF DIRECTORS

30.01 The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statute or these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations, not inconsistent with the Statute or these Articles, prescribed by the Company in general meeting. No such regulations made by the Company in general meeting may invalidate any prior act of the

Directors. This Sub-Article is without prejudice to the provisions of these Articles permitting delegation by the Directors.

30.02 Notwithstanding that the Statute or the Memorandum of Association may permit the Company to pursue objects or exercise powers which are charitable or benevolent or otherwise independent of the financial interests of the Company itself, the Directors shall not without the sanction of a special resolution pursue any such objects or exercise any such powers, provided that:

- (a) this Sub-Article does not apply to the declaration or payment of dividends, the redemption or purchase of shares or the conferring of other benefits upon members in accordance with these Articles;
- (b) The Directors on behalf of the Company may pay or procure the payment of gratuities, pensions and other benefits to persons who are or were officers or employees of the Company or any associated company, or widows or other dependents of such persons, whether or not the Company has any legal obligation to do so;
- (c) this Sub-Article does not apply to an action which, though it may in itself be gratuitous, is considered by the Directors to be in the financial interests of the Company;
- (d) if there is any reasonable doubt as to whether an action is prohibited by this Sub-Article, the Directors' decision, if made in good faith, shall be conclusive.

30.03 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 by way of fixed charge, floating charge or other form of encumbrance, and 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. In the case of a charge over the uncalled capital of the Company or any part of it, the Directors may delegate to the charge

holder (or any person acting as his trustee or appointed by him) the power to make calls on members in respect of such uncalled capital and to sue in the name of the Company or otherwise for the recovery of monies becoming due in respect of calls and to give valid receipts for such monies; and such powers shall be assignable if expressed to be so.

30.04 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Directors may from time to time determine.

### 31. SECRETARY

31.01 The Secretary shall, and one or more assistant secretaries may, be appointed by the Directors for such terms, at such remuneration and upon such conditions as the Directors think fit. Notwithstanding the terms or conditions of appointment, the Secretary and any assistant secretary may at any time be removed from office by the Directors.

31.02 Subject to any contrary term or condition of his appointment, an assistant secretary may exercise or perform any task or power conferred upon the Secretary by the Statute, by these Articles or by resolution of the Directors, but shall comply with any proper direction which may be given by the Secretary.

31.03 A provision of the Statute or of these Articles requiring or authorising anything to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

### 32. COMMITTEES, OFFICERS, ATTORNEYS AND MANAGERS

32.01 The Directors may delegate any of their powers and discretions to committees consisting of such of their number as the Directors think fit and may at any time revoke any such delegation or discharge any such committee either wholly or in part. Every

committee so formed shall in the exercise of the powers and discretions delegated to it conform to any regulations that may from time to time be imposed upon it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors. Subject to any regulations made by the Directors for this purpose, the meetings and proceedings of such committees shall be governed by the provisions of these Articles concerning the meetings and proceedings of the Directors, including provisions for circular resolutions.

32.02 The Directors may on behalf of the Company appoint from their own number or otherwise such officers to perform such duties, to exercise such powers and discretions and upon such terms as the Directors think fit; but an officer of the Company may at any time be removed from office by the Directors.

32.03 The Directors may on behalf of the Company by power of attorney under the Seal appoint any person or persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers and discretions (not exceeding those vested in or exercisable by the Directors) and for such period and subject to such conditions as the Directors may think fit; and any such attorney, if so authorised, may execute deeds and instruments on behalf of the Company under his own hand and seal which shall bind the Company and have the same effect as if under the Seal of the Company.

32.04 The Directors may on behalf of the Company appoint such managers, custodians and agents with such duties, powers, and discretions and upon such terms as the Directors think fit.

32.05 Any delegation by the Directors pursuant to this Article may be on terms permitting sub-delegation.

### **33. SEAL**

**33.01** The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

**33.02** Notwithstanding the foregoing Sub-Article the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

**33.03** The Company may have one or more duplicate Seals, as permitted by the Statute; and, if the Directors think fit, a duplicate Seal may bear on its face the name of the country, territory, district or place where it is to be used.

### **34. DIVIDENDS AND RESERVES**

**34.01** Subject to these Articles and subject to any direction of the Company in general meeting, the Directors may on behalf of the Company declare and pay dividends (including interim dividends) at such times and in such amounts as they think fit. For the avoidance of doubt it is declared that, subject as aforesaid, the Directors may, if it appears to them fair and equitable to do so, fix as the record date for a dividend a date prior to the declaration of the dividend.

**34.02** Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Statute.

34.03 The Directors may before declaring a dividend set aside such sums as they think fit as a reserve or reserves for any proper purpose. Pending application, such sums may be employed in the business of the Company or invested, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

34.04 Subject to these Articles and subject to any special dividend rights or restrictions for the time being attached to any shares or class of shares, if a dividend is declared:

- (a) every share shall confer on the holder as at the record date the right to participate in the dividend; and
- (b) the dividend shall be declared and paid according to the amounts (other than share premium) paid up on shares as at the record date or, if the Company is an exempted company and its shares have no par value, then on an equal per share basis.

34.05 The Directors may deduct from any dividend all sums of money presently payable by the holder to the Company, whether in respect of shares or otherwise; and the Directors may retain any dividend on shares over which the Company has a lien for any obligation presently due.

34.06 Any dividend or other monies payable in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, the holder who is first named in the Register in respect of the shares; but this Sub-Article is without prejudice to any other method of payment which the Directors may think appropriate and, in the case of joint holders, payment to any one or more of them shall be a good discharge to the Company.

34.07 No dividend shall bear interest against the Company.

34.08 With the sanction of an ordinary resolution of the Company (or, as regards a dividend payable in respect of a class of shares, an ordinary resolution passed at a class meeting) the Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the foregoing generality the Directors may fix the value of such specific assets, may determine that cash payments shall be made to some members in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

34.09 With the sanction of an ordinary resolution of the Company (or, as regards a dividend payable in respect of a class of shares, an ordinary resolution passed at a class meeting) the Directors may determine that:

- (a) the persons entitled to participate in the dividend shall have a right of election to accept shares of the Company credited as fully paid in satisfaction of all or (if the Directors so specify or permit) part of their dividend entitlement; or
- (b) a dividend shall be satisfied in whole or specified part by an issue of shares of the Company credited as fully paid up, subject to a right of election on the part of persons entitled to participate in the dividend to receive their dividend entitlement wholly or (if the Directors so permit) partly in cash;

and in either event the Directors may determine all questions that arise concerning the right of election, notification thereof to members, the basis and terms of issue of shares of the Company and otherwise.

## 35. SHARE PREMIUM ACCOUNT

35.01 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and

options conferred on the Company by the Statute in regard to the Company's share premium account, save that unless expressly authorised by other provisions of these Articles the sanction of an ordinary resolution shall be required for any application of the share premium account in paying dividends to members.

### **36. CAPITALISATION ISSUES**

**36.01** With the sanction of an ordinary resolution of the Company the Directors may on behalf of the Company appropriate any sum standing to the credit of the share premium account or capital redemption reserve or any sum of profits available for dividend purposes (or credited to any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount) to members in the proportions in which such sum would have been divisible amongst them if distributed by way of dividend, and to apply such sum on their behalf in paying up in full unissued shares to be issued to the members in the said proportions. The Directors may determine all questions that arise concerning a capitalisation issue including the basis and terms of issue.

### **37. BOOKS OF ACCOUNT**

**37.01** The Directors shall cause proper books of account to be kept with respect to:

- (a) all sums of money received or expended by the Company and the matters in respect of which the receipt or expenditure takes place;
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company;

and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions. Such books shall

• be kept at such place or places as the Directors determine.

37.02 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and book of the Company or any of them shall be open to the inspection of members not being Directors; and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as authorised by the Directors or by the Company in general meeting.

37.03 Subject to any waiver by the Company in general meeting of the requirements of this Sub-Article, the Directors shall lay before the Company in general meeting, or circulate to members, financial statements in respect of each financial year of the Company, consisting of:

- (a) a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year; and
- (b) a balance sheet giving a true and fair view of the state of affairs of the Company at the end of the financial year;

together with a report of the Directors reviewing the business of the Company during the financial year. The financial statements and the Directors' report, together with the auditor's report, if any, shall be laid before the Company in general meeting, or circulated to members, no later than 180 days after the end of the financial year.

37.04 The financial year of the Company shall run from the anniversary of the Company's registration (or, in the case of the first financial year, the date of registration) to the day preceding the next such anniversary but, subject to any direction of the Company in general meeting, the Directors may from time to time prescribe some other period to be the financial year, provided that the Directors may not without the sanction of an ordinary resolution prescribe or allow any financial year longer than eighteen months.

## **38. •AUDIT**

**38.01**The Company in general meeting may appoint Auditors to hold office until the conclusion of the next Annual General Meeting or earlier removal from office by the Company in general meeting; whenever there are no Auditors appointed as aforesaid the Directors may appoint Auditors to hold office until the conclusion of the next Annual General Meeting or earlier removal from office by the Company in general meeting. Unless fixed by the Company in general meeting the remuneration of the Auditors shall be as determined by the Directors. Nothing in this Article shall be construed as making it obligatory to appoint Auditors.

**38.02**The Auditors shall make a report to the members on the accounts examined by them and on every set of financial statements laid before the Company in general meeting, or circulated to members, pursuant to this Article during the Auditors' tenure of office.

**38.03**The Auditors shall have right of access at all times to the Company's books, accounts and vouchers and shall be entitled to require from the Company's Directors and officers such information and explanations as the Auditors think necessary for the performance of the Auditors' duties; and, if the Auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report to the members.

**38.04**The Auditors shall be entitled to attend any general meeting at which any financial statements which have been examined or reported on by them are to be laid before the Company and to make any statement or explanation they may desire with respect to the financial statements.

## **39. WINDING-UP**

**39.01**In the winding-up of the Company, subject to any special rights or restrictions for the time being attached to any shares or any class of shares, the assets available for distribution amongst the

\*members as such shall be distributed according to the amounts (other than share premium) paid up on shares held by them.

39.02 In the winding-up of the Company the liquidator may, with the sanction of a special resolution, determine that any winding-up distribution shall be made in whole or part by the distribution of specific assets.

#### 40. INDEMNITY

40.01 The Directors, officers and Auditors of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer, auditor or trustee and their respective heirs, executors, administrators and personal representatives (each of such persons being referred to in this Article as "indemnified party") shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duties in their respective offices or trusts, except any which an indemnified party shall incur or sustain by or through his own wilful neglect or default; no indemnified party shall be answerable for the acts, omissions, neglects or defaults of any other Director, officer, Auditor or trustee, or for joining in any receipt for the sake of conformity, or for the solvency or honesty of any banker or other persons with whom any moneys or effects belonging to the Company may be lodged or deposited for safe custody, or for any insufficiency of any security upon which any monies of the Company may be invested, or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the wilful neglect or default of such indemnified party.

#### 41. NOTICES

41.01 Save as otherwise expressly provided in these Articles, notices by the Company pursuant to these Articles shall be in writing and may

be given personally or by sending the notice by post, telex, telecopy or any other method of written communication; and, subject as aforesaid:

- (a) when sent by post the notice shall be deemed given sixty hours (or one hundred and twenty hours, if overseas) after posting the notice, postage pre-paid, properly addressed (by airmail, if overseas);
- (b) a notice sent by telex or telecopy shall be deemed given immediately upon despatch properly addressed;
- (c) in any other case (other than delivery in person) the notice shall be deemed given at such time as the Directors estimate the notice should reach the addressee in the ordinary course.

41.02A notice to a member may be addressed to him at his address shown in the Register. In the case of joint holders of a share, notice may be given to the holder first named in the Register in respect of the share, but notice to any of the joint holders shall be deemed notice to all.

41.03 Notice may be given by the Company to the person or persons whom the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a member or otherwise by operation of law, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death, bankruptcy or other event had not occurred.

## 42. ALTERATION OF ARTICLES

42.01 Subject to the Statute, the Company may from time to time by special resolution alter or amend these Articles in whole or in part.

Dated the 4th day of October, 2001

Offshore Nominees Ltd., a Cayman Islands Company  
of 3rd Floor, West Wind Bldg., Block A, P.O. Box 1782,  
George Town, Grand Cayman

*John*  
pp Offshore Nominees Ltd.

(Sgd.) *Ben Leung*  
Witness to the above signature: Siew Ben Leung

Address: 3rd Floor West Wind Bldg., Block A,  
P.O. Box 1782G, Grand Cayman

Occupation: Accountant

