

The Companies Act 1985

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

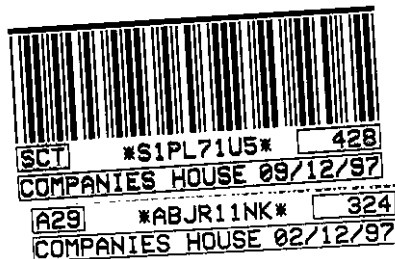
ARTICLES OF ASSOCIATION

(Adopted by Written Resolution passed on 28 November 1995)

OF

LE MERIDIEN PICCADILLY LIMITED

Incorporate on 11 May 1981
Registered No. 74783



THE COMPANIES ACTS 1948 TO 1980

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

(Incorporating all alterations made up to 27th April 1988)

OF

LE MERIDIEN PICCADILLY LIMITED

- I. The name of the Company is "LE MERIDIEN PICCADILLY LIMITED".
- II. The registered office of the Company will be situate in Scotland.
- *III. The objects for which the Company is established are:-
 - (1) To carry on as a going concern the undertaking of Le Merdien Piccadilly Hotel, 21/22 Piccadilly, London, W1V OBH.
 - (2) To carry on the businesses of hoteliers, restaurant, cafe, public house, buffet, motel, holiday camp and lodging-house keepers, proprietors and managers of golf courses, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, purveyors and caterers for public amusements generally, proprietors of motor and other

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4. Hermanus Public Limited Company was re-registered as a private company by Special Resolution dated 17 March 1986.
5. The name of the Company changed from Hermanus Limited by Special Resolution dated 4 July 1986.
6. The name of the Company changed from Le Meridien Piccadilly Limited by Special Resolution dated 20 April 1988.
7. The name of the Company changed from Le Meridien London Limited by Special Resolution dated 21 April 1994.
- * As amended by Special Resolution dated 19 May 1981 and 4 July 1986.

vehicles, garage proprietors, livery stable keepers, jobmasters, farmers, dairymen, ice merchants, importers and brokers of food, live and dead stock and produce of all descriptions, hairdressers, perfumers, chemists, proprietors, managers and operators of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, conference facilities, time sharing developments, grounds, recreation, sport, entertainments and instruction of all kinds, tobacco and cigar merchants, theatre and cinema proprietors, agents for railway, shipping and airport companies and carriers.

- (3) To carry on any other business whatever which, in the opinion of the Company, can be conveniently or profitably carried on in conjunction with or ancillary to any other business of the Company.
- (4) To purchase, feu, take on lease, exchange, hire or otherwise acquire and hold for any estate or interest any real or personal or heritable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (5) To borrow or raise money upon such terms and on such security as may be considered expedient, and in particular by the issue or deposit of notes, debentures or debenture stock (whether perpetual or not) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital.
- (6) To manufacture any apparatus, appliances, plant, machinery, tools, goods or things for the purposes of any business of the Company or the manufacture of which may seem calculated directly or indirectly to benefit the Company.
- (7) To apply for, purchase or otherwise acquire any designs, trade marks, patents, licenses, concessions and the like, conferring an exclusive or non-exclusive or limited right of user or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, grant licences in respect of or otherwise turn to account any rights and information so acquired.
- (8) To purchase, subscribe for or otherwise acquire and hold and deal with any shares, stocks, or securities of any other company having objects wholly or in part similar to the objects of the Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.

- (9) To purchase or otherwise acquire all or any part of the business, property and liabilities of
- (a) any company carrying on any business within the objects of the Company or
 - (b) any person carrying on any business within the said objects and to conduct and carry on, or liquidate and wind up any such business.
- (10) To pay for any property or rights acquired by the Company, either in cash or shares, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (11) To accept payment for any property or rights sold or otherwise disposed of or dealt with or for any services rendered by the Company, either in cash, by instalments or otherwise, or in shares of any company with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or by means of a mortgage or by debentures or debenture stock of any company or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, deal with or dispose of any consideration so received.
- (12) To issue, place, underwrite, or guarantee the subscription of, or concur or assist in the issuing or placing, underwriting, or guaranteeing the subscription of shares, notes, debentures, debentures stock, bonds, stocks and securities of any company at such time and upon such terms and conditions as to remuneration and otherwise as may be agreed upon.
- (13) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments and securities (including land or any tenure in any part of the world) and in such manner as may from time to time be considered expedient and to dispose of or vary any such investments or securities.
- (14) To lend money with or without security or give credit to such person or company and, on such terms as may be considered expedient and to receive money on deposit or loan from and give any guarantee whether secured on any asset of the Company or not or become security for any person or company.
- (15) To finance or assist in financing the sale of goods, articles or commodities of all and every kind or description by way of hire purchase or deferred payment, or similar transactions, and to institute, enter into, carry on, subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever, to acquire and discount hire purchase or other agreements or any rights thereunder (whether

proprietary or contractual) and generally to carry on business and to act as bankers, financiers, traders, commission agents, or in any other capacity and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, produce, articles and merchandise.

- (16) To enter into any arrangement with any government or other authority, supreme, municipal, local or otherwise, or any person or company and to obtain from any such government, authority, person or company all rights, concessions, and privileges which may seem conducive to the Company's objects or any of them, or to obtain or to endeavour to obtain, any Provisional Order, Act of Parliament or other legislative or executive act for the purpose of the Company or other company or for effecting any alteration or modification of the Company's constitution.
- (17) To enter into partnership or into any arrangements for joint working in business or for sharing profits or to amalgamate with any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- (18) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and grant or procure the granting of donations, gratuities, pensions, allowances, benefits or emoluments to the directors, ex-directors, officers, ex-officers, employees or ex-employees of the Company, or of any company which is a subsidiary of the Company or which is allied to or associated with the Company or with any such subsidiary company, or any persons in whose welfare the Company or any such other company as aforesaid is or has been interested, and the wives, widows, families and dependants of any such persons, and to make payments for or towards the instance of any such persons as aforesaid and to establish and support or aid in the establishment and support of associations, institutions, clubs, funds, trusts and schemes calculated to benefit any such person.
- (19) To subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any useful object of a public or general nature.
- (20) To undertake and exercise any trusts the undertaking whereof may seem desirable, and either gratuitously or otherwise.
- (21) To sell, exchange, lease, dispose of, turn to account or otherwise deal with the whole or any part of the undertaking of the Company for such considerations as may be considered expedient.
- (22) To build upon any land, and to alter, enlarge, maintain, rebuild, repair, decorate or otherwise improve any buildings, works and, machinery.

- (23) To promote, finance or assist any other company for the purpose of acquiring all or any part of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- (24) To pay all costs, charges and expenses incurred or sustained in or about the promotion or establishment of the Company, or which the Company shall consider to be in the nature of preliminary expenses including therein the cost of advertising, commissions for underwriting, brokerage, printing and stationery, and the legal and other expenses of the promoters.
- (25) To remunerate any person or company rendering services to the Company, or in or about its formation or promotion in such manner as may be thought expedient.
- (26) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, scrip, warrants and other transferable or negotiable instruments.
- (27) To effect, purchase, or otherwise acquire and keep up, at the cost the Company, any policy or policies of assurance upon the life or lives of any persons holding any office or employment under the Company, and to surrender, sell, discharge or upgive any such policy as aforesaid.
- (28) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, and for such purpose to distinguish and separate capital from profits, but so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for the time being required by law.
- (30) To do all or any of the above things as part in any part of the world either alone or in conjunction with others and either as principals, agents, contractors, trustees or otherwise and either by or through agents, sub-contractors, trustees or otherwise.
- (31) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to

achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

It is hereby declared that where the context so admits the word "company" in this clause shall be deemed to include any partnership, firm or other body of persons whether or not incorporated and, if incorporated, whether or not a company within the meaning of the Companies Act 1985.

IV The liability of the members is limited.

V. The share capital of the Company is £10,000,000 divided into 10,000,000 shares of £1 each.

NOTES:

- (1) The share capital of the Company was increased from £100 to £10,000,000 divided into 10,000,000 Ordinary Shares of £1 each by Ordinary Resolution passed on 18th May 1981.
- (2) By Special Resolution of the Company passed on 12 March 1984, 9,180,000 Ordinary Shares of £1 each in issue at close of business on 11th March 1984 were converted into 9,180,000 Deferred Shares of £1 each.

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective Names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
STEPHEN MABBOTT 24, Castle Street Edinburgh <u>Company Registration Agent</u>	One
ANDREW COOKBURN 24, Castle Street Edinburgh <u>Company Registration Agent</u>	One

Dated: 28th April 1981

Witness to the above Signatures:

IAN DANIELS
24 Castle Street,
Edinburgh,
Company Registration Agent

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by Written Resolution passed on 28 November 1995)

OF

LE MERIDIEN PICCADILLY LIMITED

PRELIMINARY

1. Table A

The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended so as to affect companies first registered on the date of the adoption of these Articles) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to regulations are to regulations in the said Table A unless otherwise stated.

NOTES:

1. The company was re-registered as a Public Limited Company by Special Resolution dated 19 May 1981.
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SHARE CAPITAL

2. Authorised Share Capital

The share capital of the Company at the date of the adoption of these Articles is £10,000,000 divided into 820,000 Ordinary Shares of £1 each and 9,180,000 Deferred Shares of £1 each.

3 Sections 80 and 89

Subject to Section 80 of the Companies Act 1985, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper and Section 89(1) of the Companies Act 1985 shall not apply.

PROCEEDINGS AT GENERAL MEETINGS

4. Written Resolutions

In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly. Regulation 53 (as extended) shall apply mutatis mutandis to resolutions in writing of any class of members of the Company.

5. Proxies

An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or duly certified copy thereof) must either be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting, or (in the case of a poll taken otherwise than at or on the same day as the meeting or

adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument shall, unless the contrary is stated thereon, be valid for any adjournment of the meeting as well as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.

SINGLE MEMBER COMPANY

6. If at any time, and for as long as, the company has a single member, all provisions of these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company with a single member.

NUMBER OF DIRECTORS

7. The Directors shall not be less than one in number. Regulation 64 shall be modified accordingly.

DELEGATION OF DIRECTORS' POWERS

8. (a) The Directors may delegate any of their powers or discretions (including, without prejudice to the generality of the foregoing, all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to :-
 - (i) committees consisting of one or more Directors; and

- (ii) one or more other named person or persons to be co-opted as hereinafter provided, if thought fit.

This power is in addition to the powers to delegate contained in Regulation 72.

- (b) Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee, but so that:-

- (i) the number of members who are not Directors shall be less than one-half of the total number of members of the committee; and
- (ii) no resolution of the committee shall be effective unless passed by a majority including at least one member of the committee who is a Director. Regulation 72 shall be modified accordingly.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 9. The Directors shall not be subject to retirement by rotation and references thereto in Regulations 73 to 80 shall be disregarded.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

10. The office of a Director shall be vacated:-

- (i) in any of the events specified in Regulation 81;
- (ii) if he shall in writing resign;
- (iii) if he shall be removed from office by notice in writing signed by all his co-Directors (being at least two in number), but, if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

REMUNERATION OF DIRECTORS

11. Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors in their absolute discretion may determine. Regulation 82 shall be extended accordingly.

PROCEEDINGS OF DIRECTORS

12. On any matter in which a director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof.

Regulations 94 to 98 shall not apply.

TELEPHONE BOARD MEETINGS

13. All or any of the Directors may participate in a meeting of the Board of Directors, or any committee of the Directors, by means of a conference telephone or any communications equipment which allows all persons participating in the meeting to hear each other. A person so participating and who would be entitled to attend a meeting of the board, or any committee of the Directors, and to vote and count in the quorum thereat shall be deemed to be present in person at the meeting and shall be entitled to vote and to be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those so participating is assembled or, if there is no such group, where the person or persons participating in the meeting and carrying the largest number of voting rights exercisable at the meeting is or are present, or if no such person is, or persons are, present, where the Chairman of the meeting is present and the word "meeting" shall be construed accordingly.

THE SEAL

14. If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

DIVIDENDS

15. Subject to the provisions of the Act, the Directors may declare interim and final dividends and Regulation 103 of Table A shall apply to the Company. Regulation 102 of Table A shall not apply to the Company.

INDEMNITY

16. Subject to the provisions of and so far as may be permitted by law, every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Regulation 118 shall not apply.

INSURANCE

17. (a) Without prejudice to the provisions of Regulation 87 or Article 16, the Directors shall have the power to purchase and maintain

insurance for or for the benefit of any person or persons who are or were at any time Directors, officers, employees, or Auditors of any Relevant Company (as defined in paragraph (b) of this Article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.

- (b) For the purpose of paragraph (a) of this Article, "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of any such other body.

OVERRIDING PROVISIONS

18. Whenever GRANADA GROUP PLC (hereinafter called "the Parent Company"), or any subsidiary undertaking of the Parent Company, shall be the holder of not less than 90 per cent. of the issued Ordinary Shares, the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these Articles:-

- (i) the Parent Company may at any time and from time to time

appoint any person to be a Director or remove from office any Director howsoever appointed, but, if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;

- (ii) no unissued shares shall be issued or agreed to be issued or put under option without the consent of the Parent Company;
- (iii) the immediate holding company for the time being of the Company may at any time transfer all or any shares to any person and the provisions of Regulation 24 shall not apply to such transfer;
- (iv) any or all powers of the Directors shall be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed on behalf of the Parent Company by any two of its Directors or by any one of its Directors and its Secretary or some other person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such

transaction was in excess of the powers of the Directors.

NAMES, ADDRESSES AND DESCRIPTIONS
OF SUBSCRIBERS

NUMBER OF SHARES TAKEN
BY EACH SUBSCRIBER

STEPHEN MABBOTT
24, Castle Street
Edinburgh
Company Registration Agent

One

ANDREW COOKBURN
24, Castle Street
Edinburgh
Company Registration Agent

One

Dated: 28th April 1981

Witness to the above Signatures:

IAN DANIELS
24 Castle Street,
Edinburgh,
Company Registration Agent