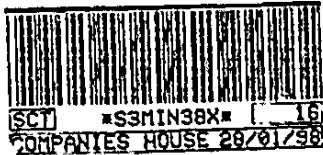


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COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES



WRITTEN RESOLUTION OF

Dunwilco (606) Limited (Registered No. 179907)

Passed 16th January 1998

The sole member of the abovenamed company passed the following resolution as a special resolution on 16th January 1998 pursuant to s381A of the Companies Act 1985:-

RESOLUTION

"THAT:-

- (a) the existing authorised share capital of the Company of £1,000 consisting of 1,000 ordinary shares of £1 each be altered by the subdivision of each ordinary share of £1 into 100 ordinary shares of 1 penny each;
- (b) the objects of the Company as contained in Clause III of its Memorandum of Association be altered by deleting the existing paragraph (1) of the said Clause III and substituting therefor the new paragraph (1) set out in the Schedule annexed to the Written Resolution and signed for the purpose of identification by the Chairman;
- (c) the existing authorised share capital of the Company be and is hereby increased from £1,000 to £1,787.88 by the creation of and additional 78,788 ordinary shares of 1 penny each having, together with the existing authorised but unissued ordinary shares in the capital of the Company, the rights and obligations attributed to them in the Company's Articles of Association;
- (d) pursuant to Section 80 of the Companies Act 1985 the Directors of the Company be and are hereby authorised generally and unconditionally at any time or times during the period of five years from the date of this Resolution to allot relevant securities (as defined in sub-section (2) of the said Section 80) up to a maximum nominal amount of £1,786.88;

- 2 -

- (c) the Directors of the Company be and are hereby authorised pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) pursuant to the authority conferred by paragraph (d) above as if Section 89(1) of that Act did not apply to the allotment.



D.W. Company Services Limited
Secretaries

THE COMPANIES ACT 1985
 COMPANY LIMITED BY SHARES
 RESOLUTION OF
 DeMure Limited
 PASSED 23rd January 1998

At an Extraordinary General Meeting of the above-named Company, duly convened and held at Saltire Court, 20 Castle Terrace, Edinburgh on the 23rd day of January 1998, the following resolution was duly passed as a Special Resolution of the Company:-

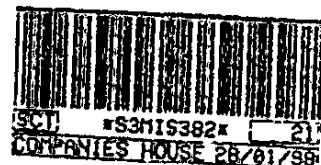
SPECIAL RESOLUTION

"THAT:-

- (a) the authorised share capital of the Company be and is hereby increased from £1,787.88 to £3,769,738.01 by the creation of:-
- (i) an additional 9,713 ordinary shares of 1 penny each,
 - (ii) 200,000 'A' ordinary shares of 1 penny each; and
 - (iii) 3,765,853 Cumulative Redeemable Preference shares of £1 each

each having the rights respectively attributed to them in the articles of association to be adopted pursuant to paragraph (d) below;

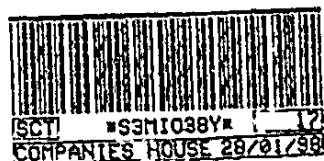
- (b) pursuant to Section 80 of the Companies Act 1985 the Directors of the Company be and are hereby authorised generally and unconditionally at any time or times during the period of five years from the date of this Resolution to allot relevant securities (as defined in sub-section (2) of the said Section 80) up to a maximum nominal amount of £3,767,950.13;
- (c) the Directors of the Company be and are hereby authorised pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) pursuant to the authority conferred by part (b) of this resolution as if Section 89(1) of that Act did not apply to the allotment; and




- 2 -

- (d) the new articles of association presented to the Meeting and signed for the purposes of identification by the Chairman hereof be and are hereby adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing Articles of Association."


..... Director
D.W. Company Services Limited
Secretaries



This is the Schedule to the
foregoing Written Resolution of
Dunwilco (606) Limited


.....
Chairman

THE SCHEDULE

III. The objects for which the Company is established are:-

- (1) (a) To act as the holding company of the group of companies of which the Company is for the time being the holding company and in such capacity its main purpose is to acquire and hold shares in the equity share capital of Carlton Clubs PLC (No. SC123870), together with the performance of all the other functions of a holding company;
- (b) To carry on at any place or places in the United Kingdom or elsewhere throughout the world the business or businesses of managing, controlling, supervising and co-ordinating the administration, business or operations of companies, corporations, undertakings, firms and persons, individually or in groups and generally to carry on the business of a holding company;
- (c) To acquire, hold and control either beneficially or as a nominee the whole or any part of the shares, stocks, loan stock, debentures and other securities issued or guaranteed by any company constituted or carrying on business in the United Kingdom or elsewhere, and funds, loans, securities or obligations of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;
- (d) To acquire any such shares, stocks, loan stock, debentures, securities, obligations, funds or loans by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same conditionally or otherwise, and to exercise and enforce all rights and powers

conferred by or incidental to the ownership thereof and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being, and to buy and sell foreign exchange.

PP/BRP/118112-S/MCM

179907

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES



ARTICLES OF ASSOCIATION

of

DEMURE LIMITED

(Adapted by Special Resolution passed on 23 January 1998)

PRELIMINARY

1. Constitution

The Company is established as a private company within the meaning of Section 1(3) of the Companies Act 1985 (as amended by the Companies Act 1999) and of the Memorandum of Association of the Company and of the Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such table being hereinafter called "Table A") which are hereby adopted with the exception of Regulations 2, 24, 40 and 41, 50, 64 to 69 (inclusive), 73 to 77 (inclusive), 79 to 81 (inclusive), 83, 87, 89, 94 to 97 (inclusive) and 118 of Table A and subject to the provisions of the following additional Articles in modification of Table A, so far as hereby adopted.

2.1 Interpretation

In these Articles, the following words and expressions shall have the

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following meanings:-

"the Act" means the Companies Act 1985 (as amended by the Companies Act 1989), but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;

"Associate" shall have the meaning ascribed thereto in Article 13.2,

"Auditors" means the auditors from time to time of the Company,

"the Bank" means The Governor and Company of the Bank of Scotland,

"Bank Warrant" means the warrant granted to the Bank to subscribe for such number of Ordinary Shares as represents 2.5 per cent of the fully diluted equity share capital of the Company, all pursuant to the Bank Warrant Instrument;

"Bank Warrant Instrument" means the warrant instrument of the Company in favour of the Bank dated of even date pursuant to which the Bank Warrant is granted.

"BoS Group" means the Governor and Company of the Bank of Scotland and its subsidiaries from time to time and "member of the BoS Group" shall be construed accordingly,

"Controlling Interest" shall have the meaning ascribed thereto in Article

13.2;

"Convertible Loan Stock" means the £117,073 Convertible Unsecured Loan Stock constituted by Instrument by the Company dated of even date with the date of adoption hereof;

"Dunedin" means Dunedin Enterprise Investment Trust PLC (Registered No. 52844) having its registered office at Napier House, 27 Thistle Street, Edinburgh E12 1BT and its successors from time to time;

"Employee Member" a person who is or has been a director and/or an employee of the Company or any of its subsidiaries;

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

"Family Trust" a trust which only permits the settled property or the income therefrom to be applied for the benefit of:-

- (a) the settlor and/or a Privileged Relation of that settlor, or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities);

and under which no power of control is capable of being exercised over

the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member.

"Good Leaver" means an Employee Member who ceases to be a director or employee of the Company or any of its subsidiaries and does not continue either as a director or employee in relation to any of them where such cessation occurs for one of the following reasons:

- (a) death;
- (b) becoming of unsound mind or a patient for the purposes of any statute relating to mental health or otherwise mentally or physically incapacitated; or
- (c) unfair or wrongful dismissal as determined by a tribunal of competent authority

"Investors" means Dunedin and any person who is or becomes an Investor for the purposes of the Subscription Agreement.

"Investor Affiliate" means:-

- (a) in relation to an Investor, that Investor and any member of the same group as that Investor;
- (b) in relation to Dunedin Enterprise Investment Trust PLC, any

person, firm, company, trust or other entity which has entered into a Discretionary Management Agreement with Dunedin Enterprise Investment Trust PLC or any custodian or nominee for any such person, firm, company, trust or other entity;

- (c) in relation to any person falling within the immediately preceding sub-paragraphs (a) and (b), any associated, related or connected persons of the person falling within the immediately preceding sub-paragraphs (a) or (b) above, whom such person may reasonably specify as its Investor Affiliate prior to it being registered as a shareholder in the Company and so that if a party ("the second party") is an Investor Affiliate of another party ("the first party") the Investor Affiliates of the second party shall also be Investor Affiliates of the first party and vice versa;

"Investor Director" means the director appointed by Dunedin pursuant to Article 22 of these Articles of Association,

"Investor Group" means in relation to each Investor that Investor or any holding company of or any subsidiary of such Investor from time to time or any subsidiary of a holding company of such Investor and all or any investment trusts or investment companies or funds under common management with, or advised by, the managers of or advisors to or nominee for any holding or subsidiary company or any subsidiary of a holding company of such Investor and any Investor Affiliate and "member of an Investor Group" shall be construed accordingly;

"Listing" means the admission of all or any of the Company's share capital to any recognised stock exchange as defined by Section 207 of

the Financial Services Act 1986;

"Net Profit" means the net profit after taxation of the Company (but excluding any credit which may arise from the release of negative goodwill) shown in the audited profit and loss account of the Company for each of its financial periods from time to time or, if the Company has any subsidiary undertaking from time to time, the consolidated net profit after taxation of the Company and its subsidiary undertakings shown in the consolidated audited profit and loss account of the Company and each of its subsidiary undertakings for the relevant financial period in all cases calculated on the historical cost accounting basis (but without charging any depreciation on heritable and long leasehold properties) but disregarding any provision for any dividends or any transfer to or from reserves,

"Original Members" means persons who were members of the Company on the date of adoption of these articles,

"Permitted Issue" means an allotment of shares to Dunedin under the Subscription Agreement, the Bank under the Bank Warrant Instrument or to a Syndicatee under these Articles or the Subscription Agreement;

"Privileged Relation" means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children

"Redemption Value" means £1 per CRP Share;

"Subscription Agreement" means the agreement of even date herewith entered into between the Company, Dunedin and holders of Ordinary Shares regulating certain affairs regarding shares in the Company;

"Syndicatee" has the meaning attributed to it in the Subscription Agreement,

"Termination Date" means:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where the Employee Member concerned is a director but not an employee, the date on which his contract for services with the Company is terminated; and
- (d) in any other case, the date on which the contract of employment is terminated.

2.2 Words and expressions defined in the Act shall have the same meanings in these Articles.

2.3 A person shall be deemed for the purposes of these Articles to hold shares if he has an interest in them. Schedule 13 Part I and Section 324 of the Act shall apply for the purposes of these Articles in

determining whether or not a person has an interest in shares.

3. Share Capital

The authorised share capital of the Company at the date of the adoption of these Articles is £3,769,738.01 divided into 188,501 Ordinary Shares of £0.01 each (the "Ordinary Shares"), 3,765,853 Cumulative Redeemable Preference Shares of £1 each (the "CRP Shares") and 200,000 Cumulative Participating Preferred A Ordinary Shares of £0.01 each (the "A Shares"). For the purposes of these Articles, the expression "equity share capital" shall mean the Ordinary Shares and the A Shares

4. Share Rights

The rights attaching to the respective classes of shares shall be as follows:-

4.1 Income

4.1.1 The profits of the Company available for distribution in respect of any financial year of the Company shall be applied as follows:-

4.1.1.1 first, in paying to the holders of the CRP Shares in priority to any payment of dividend on any other class of shares a fixed cumulative preferential net cash dividend at the rate of 9% per annum (exclusive of any associated tax credit) of the subscription price paid on each CRP Share (the "CRP Dividend") such dividend to accrue from day to day from (and inclusive of) the date of issue of the CRP Shares and to be payable half-yearly in arrears on 30 June and 31 December in each year, the first such payment to be made on 30 June 1998 in respect of the period from the date of issue of the CRP Shares

- 4.1.1.2 second, subject to payment in full of the CRP Dividend and all arrears of the same in paying to the holders of the A Shares as a class a cumulative participating net cash dividend of such amount (exclusive of any associated tax credit) as is equal to the percentage of the Net Profit set out below (the "A Dividend") for that financial year but so that no A Dividend shall be payable in respect of any financial year of the Company ending on or before 31 December 1998. The A Dividend shall accrue from day to day and shall be payable on the earlier of (i) the day falling not more than fourteen days after the Annual General Meeting of the Company at which the audited accounts for the relevant year are adopted and (ii) the day falling four months after the end of the relevant financial year. The A Dividend shall be paid amongst the holders of the A Shares pro rata according to the amount paid up on the A Shares. For the avoidance of doubt, no A Dividend shall be payable in respect of the financial year of the Company ending on 31 December 1998.

The percentage of the Net Profit which shall apply to the A Dividend shall be:

- (a) in respect of any financial year ending on or before 31 December 2000: 10%
- (b) in respect of any other financial year: 15%

- 4.1.1.3 third, subject to the payment of the CRP Dividend and the A Dividend and all arrears of the same and subject also to the prior consent in writing of Dunedin (which consent (i) may be withheld by Dunedin in its absolute discretion, (ii) shall not be required in relation to any dividend relating to

any financial year following the financial year in which the last of the CRP Shares to be redeemed is so redeemed; and (iii) may, for the avoidance of doubt, stipulate that part only of the Ordinary Dividend ^(as hereafter defined) that would, were such consent not required in terms hereof have been payable, be paid) in paying to the holders of the Ordinary Shares as a class an amount equivalent to the A Dividend paid in respect of that financial year ("the Ordinary Dividend"); and

4.1.1.4 fourth, subject to the payment of the CRP Dividend, the A Dividend and the Ordinary Dividend and subject also to the prior consent in writing of Dunedin (which consent shall not be required in relation to any dividend relating to any financial year following the financial year in which the last of the CRP shares to be redeemed is so redeemed) in paying any further profits which the Company may determine to distribute to the holders of the Equity Shares to be distributed amongst such holders as if such shares constituted a single class and pro rata according to the amounts paid up or credited as paid up thereon

4.1.2 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act, the CRP Dividend and the A Dividend shall (notwithstanding Regulations 102 to 108 inclusive contained in Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the respective due dates referred to and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend. Each payment of any such dividend shall be accompanied by a certificate for the related tax credit.

4.1.3 Interest shall accrue daily on the CRP Dividend and the A Dividend at the rate of 2% over the base rate of the Bank from time to time from the due date for payment until payment in full of the dividend in question.

4.2 Capital

On a return of capital on liquidation or reduction of capital or otherwise, the surplus assets of the Company remaining after the payment of liabilities shall be applied as follows:-

4.2.1 first, in paying to the holders of the CRP Shares any arrears, deficiency or accruals of the CRP Dividend and any interest thereon calculated down to the date of return of capital and payable irrespective of whether such dividend has been declared or earned or not;

4.2.2 second, in paying to the holders of the CRP Shares £1.00 for each CRP Share held by them;

4.2.3 third, in paying to the holders of the A Shares any arrears, deficiency or accruals of the A Dividend and any interest thereon calculated down to the date of return of capital and payable irrespective of whether such dividend has been declared or earned or not;

4.2.4 fourth, in paying to the holders of the A Shares the amount of the subscription price paid or credited as paid on the A Shares,

4.2.5 fifth, in paying to the holders of the Ordinary Shares the amount of the subscription price paid or credited as paid on each Ordinary Share, and

4.2.6 sixth, any surplus assets of the Company shall be distributed among the

holders of the Equity Shares as if they were members of the same class pro rata to the amounts paid up or credited as paid up thereon and rateably according to the number of shares held by them respectively.

4.3 Redemption

4.3.1 Subject to the provisions of the Act and notwithstanding the foregoing provisions of this Article, the Company shall redeem at the Redemption Value together with a sum equal to any arrears, deficiency or accruals of the CRP Dividend and any interest thereon (as set out in Article 4.1.3) calculated down to the date of such redemption irrespective of whether such dividend has been declared or earned or not the following numbers of the CRP Shares then in issue on the dates set out in Article 4.3.1.1 (unless previously redeemed) or on the occurrence of an event specified in Article 4.3.1.2.

4.3.1.1	<u>Redemption Date</u>	<u>No. of Shares Redeemable</u>
	31 December 2004	400,000
	31 December 2005	500,000
	31 December 2006	1,300,000
	31 December 2007	1,565,853

4.3.1.2 All CRP Shares shall be redeemed immediately on the occurrence of a Listing or any sale of a Controlling Interest

4.3.2 Notwithstanding the terms of Article 4.3.1 above, the Company may, subject to the provisions of the Act, redeem at any time upon giving not less than fourteen days notice in writing to the holders thereof all or (in instalments of not less than 50,000 shares) some of the CRP Shares at the Redemption Value together with a sum equal to any arrears,

deficiency or accruals of the CRP Dividend thereon together with any interest thereon calculated down to the dates of such redemption irrespective of whether such dividend has been declared or earned or not. In the absence of any contrary agreement between such holders and the Company, any partial early redemption shall be deemed to relate to the shares falling due for redemption in order of maturity.

- 4.3.3 On the specified dates for redemption of the CRP Shares, the Company shall deliver to the holders of the CRP Shares bankers' drafts or cheques for the total redemption price of such CRP Shares together with all arrears, deficiency or accruals of dividends thereon calculated at the date of redemption, whether such dividends have been declared or earned or not against delivery of the share certificates therefor and where a certificate comprises shares not to be redeemed, the Company will issue a fresh certificate for the balance.
- 4.3.4 In the case of redemption of less than all of the CRP Shares for the time being in issue, the Company shall redeem such proportion of the CRP Shares of each holder thereof as the aggregate of the CRP Shares to be redeemed bears to the aggregate of the CRP Shares in issue immediately prior to the date on which redemption is to take place.
- 4.3.5 As from the date fixed for redemption of any CRP Shares, the CRP Dividend thereon shall cease to accrue unless, upon due presentation at the registered office of the Company of the certificate relating thereto, payment of the full amount payable upon redemption of such CRP Shares shall not be made by the Company, in which case the CRP Dividend in respect thereof shall continue and be payable until payment of such full amount is made.

4.3.6 If any holder of CRP Shares some or all of whose shares have become due for redemption shall fail or refuse to deliver up the certificate for such shares the Company may retain the redemption monies until delivery of the certificate (or of an indemnity in respect thereof in such form as the Company shall reasonably require) but shall thereupon pay the redemption monies to such holder

4.3.7 If on any due date for redemption of CRP Shares the Company is prohibited, whether by reason of having insufficient profits available for distribution or for any other reason, from redeeming all or any of the CRP Shares then falling to be redeemed it shall redeem the same so soon thereafter as it is not so prohibited (in such amounts as it is from time to time permitted to redeem) and for so long as such prohibition remains and such CRP Shares as aforesaid have not been redeemed the Company (notwithstanding any other provisions of these Articles) shall not pay any dividend save for the CRP Dividend and the A Dividend or make any other distribution of distributable profits

4.4 Conversion

4.4.1 The holders of the A Shares may at any time convert the whole of their A Shares into a like number of Ordinary Shares. The following provisions of this article shall apply to the conversion

4.4.2 The conversion shall be effected by notice in writing given to the Company signed by the holders of 75% of the A Shares. The conversion shall take effect immediately upon the date of delivery of such notice to the Company (unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when such conditions

have been fulfilled).

4.4.3 Forthwith after conversion takes effect the holders of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of A Shares. The Company shall issue to such holders certificates for the Ordinary Shares resulting from the conversion.

4.4.4 The Ordinary Shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the other Ordinary Shares in the capital of the Company.

4.4.5 On the date of conversion the Company shall pay a dividend to the holders of the A Shares of a sum equal to any arrears or accruals of the A Dividend.

4.5 Voting

The A Shares and the Ordinary Shares shall each have one vote per share. Except as hereinafter provided, the CRP Shares shall not have any votes provided that the CRP Shares shall entitle the holders thereof to receive notice of and attend all general meetings. The CRP Shares shall only entitle the holders thereof to vote at any general meeting (when the CRP Shares shall have one vote per share) if (i) any part of the CRP Dividend shall remain outstanding for twelve months or more from the due date for payment thereof and remains unpaid at the date of the general meeting but only for so long as any arrears of dividend shall remain outstanding or (ii) any redemption monies payable in respect thereof shall not have been paid within twelve months from the due date for payment thereof, save in the case of redemption in terms

of Article 4.3.1.2 in which case the CRP Shares shall have one vote per share from the due date for redemption thereof but only for so long as any redemption monies due for payment remain unpaid.

5. Unissued shares at the disposal of the directors

Subject to the provision of these Articles including, without limitation, Article 8 and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares shall be issued to such persons and upon such terms and conditions and with such rights, priorities, privileges or restrictions as the Resolution creating or issuing such shares or effecting the increase in the authorised share capital of the Company shall prescribe but, in the absence of any such prescription, all shares whether forming part of the existing or any increased capital shall be at the disposal of the directors of the Company who may issue them, subject to Section 80 of the Act, to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit.

CLASS RIGHTS

6. Method of varying class rights

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class

but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be one person present in person or by proxy (whenever there is only one holder of shares of that class) but where there are two or more holders of that class the quorum shall be two persons at least holding or representing by proxy not less than one third in nominal amount of the issued shares of the class (but so that, if at any adjourned meeting of such holders a quorum as above defined is not present, the member who is present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively PROVIDED THAT, without prejudice to the generality of this Article:-

- 6.1 the special rights attached to the A Shares and the CRP Shares shall be deemed to be varied in the following circumstances:-
 - 6.1.1 the grant of any option (other than the Bank Warrant) or other right to subscribe for or convert into shares and by any alteration or increase or reduction or consolidation or sub-division or re-classification of the authorised or issued share capital of the Company or any of its subsidiaries (other than a Permitted Issue),
 - 6.1.2 any variation or abrogation of any of the rights attached to any of the shares for the time being in the capital of the Company,
 - 6.1.3 any alteration to the memorandum or articles of association of the Company or by the adoption of new articles of association of the Company.

- 6.1.4 any alteration of the restrictions on the powers of the directors of the Company to borrow monies, give guarantees or create charges;
- 6.1.5 the sale or disposal of the undertaking of the Company or of any of its subsidiaries (if any) or any substantial part thereof or by the sale or disposal of any share in the capital of any subsidiary of the Company from time to time;
- 6.1.6 the calling of a meeting of the Company for the purpose of, or inter alia for the purpose of, considering a resolution to wind up the Company;
- 6.1.7 any purchase or redemption (save as required or permitted under Article 4.3) by the Company of its own shares;
- 6.1.8 the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries;
- 6.1.9 any reduction in the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or in any uncalled liability in respect of partly paid shares;
- 6.1.10 any distribution, payment or return to members of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- 6.1.11 any capitalisation of undivided profits (whether or not the same are available for distribution and including any profits standing to any reserve) or any sum standing to the credit of its share premium account

or capital redemption reserve;

- 6.1.12 the issue by any subsidiary of the Company (other than to the Company or to another wholly-owned subsidiary of it) of any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its equity share capital and by the disposal by the Company or by any such subsidiary of any such shares (otherwise than as aforesaid);
- 6.1.13 any change in the accounting reference date or auditors of the Company or any of its subsidiaries from those as at the date of adoption of these Articles;
- 6.1.14 by the entering into of a written service agreement with any director or connected person (as defined in Section 839 of the Income and Corporation Taxes Act 1988) or a written service agreement under which the aggregate annual emoluments could exceed £50,000 or the material variation of any such existing service agreement with any such person.
- 6.1.15 by the entering into of any agreement or arrangement under which the Company or any of its subsidiaries would incur capital expenditure if as a result the aggregate capital expenditure incurred by the Company and its subsidiaries in respect of the financial year of the Company then current would exceed by more than £50,000 the aggregate amount provided for such aggregate capital expenditure in the annual budget for such financial year which has been approved by the Investor Director.
- 6.1.16 if there shall occur any material breach of any undertaking given by the

Company or any holder of Ordinary Shares in any agreement (being an agreement additional to these Articles) between the Company and/or any holder or holders of Ordinary Shares and the holders of any A Shares and/or CRP Shares, including without prejudice to the foregoing generality, the Subscription Agreement; and

- 6.2 the special rights attached to the Ordinary Shares shall be deemed to be varied by any amendment to Article 12 or 13 of these Articles.

ISSUE OF SHARES

7. Section 80 Authority

For the purposes of Section 80 of the Act, the Directors are authorised in substitution for any existing authority to allot up to a maximum of £3,767,950.13 in nominal amount of relevant securities (as hereinafter defined) of the Company at any time or times from the date of adoption of these Articles until the date occurring five years after such date. The aforesaid authority may be previously revoked or varied by the Company in general meeting and may be renewed by the Company in general meeting from time to time for a further period not exceeding five years. The Company may make any offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the directors may allot relevant securities in pursuance of any such offer or agreement.

8.1 Pre-emption rights

Subject to the provisions of Article 8.4, unless otherwise agreed by all the holders of the Equity Shares, all or any unissued shares shall before issue be offered in the first instance to the members holding Equity

Share Capital in proportion as nearly as circumstances admit to their existing holding of such shares. Any such offer shall be made by notice in writing specifying the number of shares comprised in the offer and specifying a date (being not less than fourteen days after the date of the offer) after which the offer, if not by then accepted, will be deemed to have been refused. The offer shall state that it may be accepted in respect of a lesser number of shares than those comprised in the offer. At the expiration of the time limit specified in the offer, the number of shares offered to the holders of Equity Share Capital but not so accepted shall be offered for subscription by means of a second offer ("the Second Offer") to those holders of Equity Share Capital who have accepted all the shares offered to them in the first instance. The Second Offer shall be made by notice in writing specifying a date (being not less than fourteen days after the date of the Second Offer) after which the Second Offer if not then accepted (whether in respect of all or part of the excess shares (as hereinafter defined)) will be deemed to have been refused. The Second Offer shall specify the total number of shares available for subscription ("the Excess Shares") and shall notify the offerees that any of them who wishes to acquire any of the Excess Shares should in his reply state how many of the Excess Shares he desires to have. In the event of the Excess Shares being insufficient in number to satisfy all the requests received for Excess Shares, such request or requests for Excess Shares shall be satisfied to an extent in proportion as nearly as circumstances admit to the then existing holding of Equity Shares of the members making such request.

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Shares not taken up by existing members

If any shares are not taken up by the existing members in accordance with the provisions of this Article 8 or are not capable of being so

offered except by way of fractions then subject to the provisions of these Articles the directors may dispose of such shares to such persons and on such terms and conditions as they deem desirable provided that on no account shall such shares be disposed of (i) on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members pursuant to Article 8.1, or (ii) more than three months after expiry of the Second Offer.

8.3 Designation of shares

All shares in the equity share capital of the Company which pursuant to the provisions of Article 8.1 may be acquired by a holder of Ordinary Shares shall be designated Ordinary Shares, and all shares which pursuant to the provisions of this Article may be acquired by a holder of A Shares (whether or not also a holder of Ordinary Shares) shall be designated A Shares

8.4 Disapplication of Article 8

Article 8 shall not apply to any Permitted Issue

In accordance with Section 91 of the Act, the provisions of Section 89(1) and 90(1) to (6) of the Act are hereby expressly excluded

8.5 Registration of trustees

Without prejudice to the provisions of Regulation 5 of Table A, the Company shall be entitled to register trustees as such in respect of any shares held upon any trust

ADMINISTRATOR

FORFEITURE OF SHARES

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

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

TRANSFER OF SHARES

10. Interpretation of transfer

For the purpose of these Articles, “transfer” shall extend to and include the renunciation or negotiation of any temporary document of title to any share and the entering into of a contract, undertaking or arrangement whereby the holder of a share holds the same upon trust for the benefit of or as nominee for any other person.

11. Form of execution of transfers

Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares in writing in any usual or common form or in any other form which the directors may approve. An instrument of transfer of a share (other than a partly paid share) need not be executed on behalf of the transferee. The transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is registered in the Register of Members in respect thereof.

RESTRICTIONS ON TRANSFERS

12.1 Transfer notice

Subject to Articles 12.10 and 13 below, any person proposing to transfer any of his shares in the Company (hereinafter called "the Proposing Transferor") shall give notice in writing (hereinafter called a "Transfer Notice") to the Company that he desires to transfer the same. A Transfer Notice shall, unless otherwise provided in these Articles, specify the proposed transferee (if any), the number and class of shares proposed to be transferred (the "Transfer Shares") and the price per share at which the Proposing Transferor wishes to sell the Transfer Shares ("the Prescribed Price") and shall constitute the Company as his agent for the sale of the shares to a shareholder or shareholders in the Company who is or are willing to purchase the shares (hereinafter referred to as the "Purchasing Member or Members") at a price (hereinafter referred to as "the Transfer Price") being either the Prescribed Price or, if the Certified Price has been fixed in accordance with Article 12.2, the Certified Price. Save in the case of a deemed Transfer Notice under Article 12.8, if the Prescribed Price is not used as the Transfer Price then the Proposing Transferor may withdraw the Transfer Notice at any time before the Company instructs an independent firm of accountants to fix the Certified Price in accordance with Article 12.2.

12.2 Certified price

At the request of any of the Purchasing Member or Members or where a Transfer Notice does not specify the Prescribed Price, the directors of the Company shall (after giving the Proposing Transferor seven days'

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notice) instruct an independent firm of accountants agreed by the members of the Company and failing such agreement as shall be nominated by the President for the time being of the Institute of Chartered Accountants of Scotland to certify the sum which, in its opinion, represents the fair value of the Transfer Shares ("the Certified Price"). In the case of the CRP Shares, the Certified Price shall be equivalent to an amount no less than the amount at which those shares could have been redeemed in terms of Article 4.3.1. In determining the Certified Price of any share forming part of the Equity Share Capital, the independent firm of accountants shall:-

- 12.2.1 determine the sum which a willing purchaser would offer to a willing seller for the whole of the issued Equity Share Capital;
- 12.2.2 divide the resultant figure by the number of shares of the equity share capital in issue; and
- 12.2.3 make such adjustments as it considers necessary to allow for any rights which may be outstanding and in particular those whereunder any person, firm or body corporate may call for the issue of further shares.

so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding represented by the Transfer Shares, or in relation to any restrictions on the transferability of the Transfer Shares and provided further that the independent firm of accountants shall take in to account any bona fide offer from any third party to purchase any of the Transfer Shares. In certifying the Certified Price, the independent firm of accountants shall be considered to be acting at the cost and expense of the Company as expert and not

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as arbiter, and provided that the independent firm of accountants was given such information as in its opinion it required for the purposes of such certification, its certificate shall be final and binding on all concerned.

12.3.1 Offer of transfer shares

The Transfer Shares shall be offered by the Company at the Transfer Price in the first instance to the shareholders holding shares of the same class as the Transfer Shares in the Company, other than the Proposing Transferor, as nearly as may be in proportion to the existing shares of the same class as the Transfer Shares held by them and the offer shall in each case limit the time in which the same, if not accepted, shall be deemed to be declined, and shall notify such shareholders that any such shareholder who desires to acquire shares in excess of his proportion should in his reply state how many additional shares he desires to have; and if all such shareholders do not claim their proportion the unclaimed shares shall be used for satisfying the application for additional shares. If there shall be insufficient of the said unclaimed shares to satisfy in full all such applications for additional shares, the said unclaimed shares shall be distributed among such shareholders making such applications as nearly as may be in proportion to their respective holding of shares of the same class as the Transfer Shares in the Company provided that no person shall be bound to take more additional shares than the due proportion which he originally offered to take up

12.3.2 If the Company shall not have found a Purchasing Member or Members for all the Transfer Shares after offering such Transfer Shares to holders of shares of the same class as the Transfer Shares in accordance with Article 12.3.1 above, the Company shall offer any remaining Transfer

Shares to the holders of Equity Shares to whom they have not already been offered and the provisions of Article 12.3.1 shall apply mutatis mutandis to such offer.

12.4 Proposing transferor bound if purchasing member found

If the Company shall, within 40 days after being served with a Transfer Notice, find a Purchasing Member or Members in respect of any of the Transfer Shares (subject as hereinafter provided) and shall give notice thereof to the Proposing Transferor, the Proposing Transferor shall be bound upon payment of the Transfer Price to transfer such Transfer Shares to the Purchasing Member or Members provided that unless Article 12.8 applies, a Proposing Transferor shall only be so bound and be obliged to transfer all his Transfer Shares and not part only of his Transfer Shares

12.5 Default in transfer by Proposing Transferor

If in any case the Proposing Transferor, after having been bound as aforesaid, makes default in transferring any of the Transfer Shares, the Company may receive the relevant purchase monies and the Proposing Transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer of these shares to the Purchasing Member or Members and upon the execution of such transfer the Company shall hold the purchase monies in trust for the Proposing Transferor. The receipt by the Company of the purchase monies shall be a good discharge to the Purchasing Member or Member and after his or their names(s) have been entered in the Register of Members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person

12.6 Transfer if no Purchasing Member

If the Company shall not, within 40 days after being served with the Transfer Notice, find a Purchasing Member or Members in respect of all the Transfer Shares and give notice as aforesaid, the Proposing Transferor shall at any time within three months thereafter be at liberty, subject to Article 13 below to sell and transfer all the remaining shares (but not part only) to any person or persons at a price not less than the Transfer Price.

12.7 Registration of transfer by directors

The directors shall register any transfer effected according to the procedures specified in Articles 12 and 13.

12.8 Transfer of shareholding of ex-employees/ex-directors

If an Employee Member ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them, Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of:

12.8.1 all shares held by the Employee Member immediately before such cessation; and

12.8.2 all shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final); and

12.8.3 in the case of a Good Leaver, the provisions of Article 12.12 shall also apply.

12.9 On the deemed serving of a Transfer Notice under Article 12.8, the price at which the Transfer Shares shall be offered to the other shareholders will, notwithstanding any other provisions of the Articles, be the Certified Price.

12.10 Disapplication of restrictions on transfers

The restrictions on the transfer of shares contained in this Article 12 shall not apply to:-

12.10.1. a transfer of any shares by a member of an Investor Group:-

12.10.1.1 to another member of that Investor Group provided that, upon leaving that Investor Group, such transferee shall be obliged to transfer such shares in the capital of the Company to a member of that Investor Group; and

12.10.1.2 to a Syndicator pursuant to the Subscription Agreement.

12.10.2 a transfer of any shares by a member of the BoS Group to another member of that BoS Group, provided that, upon leaving ^ethat BoS Group such transferee shall be obliged to transfer such shares in the capital of the Company to a member of that BoS Group. /

12.10.3 a transfer of any shares by any Original Member to the Privileged Relation or Family Trust of such Original Member;

12.10.4 a transfer of any shares with the prior written consent of, or a waiver of pre-emption rights by, all the other members of the Company; and/or

12.10.5 any transfer of shares pursuant to the provisions of Article 12.11.

12.11 Deemed Transfer on Divorce

Upon any Original Member becoming divorced from his spouse any shares transferred to that spouse by virtue of Article 12.10.2 shall be transferred by that spouse back to the Original Member at no cost forthwith and in the event of such transfer not taking place within 7 days of divorce the spouse shall be deemed to have appointed any one director of the Company as his agent to execute such transfer on his behalf.

12.12 Transfers in the case of Good Leavers

The provisions of the following Articles 12.13 to 12.15 shall only apply where shares (in those Articles referred to as "the Transfer Shares") are transferred under the provisions of Article 12.8 and the relevant Employee Member is a Good Leaver.

12.13 If during the Relevant Period, any of the Events occur the person(s) ("the Holders") holding the Transfer Shares on the Relevant Date shall pay the Compensation to the transferor(s) of the Transfer Shares under Article 12.8 ("the 12.8 Transfers") within two months after the Relevant Date).

12.14.1 Each Holder shall only be liable to pay such percentage of the Compensation payable in terms of Article 12.13 as is equivalent to the percentage that the number of Transfer Shares held by him on the

Relevant Date constitutes of the total number of Transfer Shares transferred as a result of the operation of Article 12.8 in relation to the relevant Good Leaver.

12.14.2 The Consideration paid by the Holders shall be shared by the 12.8 Transferees in proportion to their respective holdings of the Transfer Shares.

12.15 For the purposes of Articles 12.13 and 12.14, the following words and expressions shall bear the meanings set opposite them:

12.15.1 'Compensation means' 80 per cent of the difference between the sums received in aggregate by the 12.8 Transferees for Transfer Shares and (i) in the case of a transfer of a Controlling Interest or a Winding Up the sum received in aggregate by the Holders or their nominees for or in respect of such shares plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Holders which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the sums received by the Holders for or in respect of such shares; or (ii) in the case of a Listing the value placed on such shares (as subdivided or consolidated (if appropriate) together with any bonus or rights issue shares issued in respect thereof less the actual cost per share of exercising such rights) on the Relevant Date as determined by the prospectus or listing particulars published in connection with the Listing.

12.15.2 'Event' shall mean either -

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12.15.2.1 a Winding Up; or

12.15.2.2 a Listing; or

12.15.2.3 a transfer of a Controlling Interest;

12.15.3 'Listing' means the admission to listing of any part of the Company's share capital on The Stock Exchange or any other recognised investment exchange (as defined in section 207 of the Financial Services Act 1986);

12.15.4 'Relevant Date' means the earliest date on which an Event occurs.

12.15.5 'Relevant Period' means the period of twelve months commencing:-

- (i) in the case of death, the date of death of such Good Leaver; or
- (ii) in the case of unfair or wrongful dismissal, the date of the dismissal of such Good Leaver provided that such dismissal has been decided unfair by a tribunal with competent authority; or
- (iii) in any other case the date on which the contract of employment of such Good Leaver is terminated,

In the case of dispute concerning the calculations of ^{the} Total Compensation it shall be determined by a Chartered Accountant (acting as expert and not as arbiter) nominated by agreement between the Transferee and the Directors or in default of such agreement by the President for the time being of the Institute of Chartered Accountants

of Scotland and whose costs shall be met by the Transferee.

12.15.6 'Winding Up' means the making of an order or the passing of a resolution for the winding up of the Company for any purpose whatever;

12.16 When two or more Events occur in the Relevant Period the provisions of this Article 12.13 and 12.14 shall apply to the Event that first occurs but not, for the avoidance of doubt, to any subsequent Event.

TRANSFER OF CONTROL

13.1 Limitation of transfer of control

13.1.1 Subject to Article 13.1.2, the directors shall not register the transfer of any shares (hereinafter called "the Specified Shares") conferring the right to vote at General Meetings of the Company, if such transfer is intended to be made to a person not a member of the Company at the date of adoption of these Articles of Association or a member of the Investor Group and which would result if made and registered in a person or that person's Associates (as hereinafter defined) who is or are not a member or members of the Company at the date of adoption of these Articles of Association obtaining a Controlling Interest in the Company

13.1.2 The provisions of Article 13.1.1 shall apply and no transfer shall be registered without the previous written consent of all the shareholders unless:-

13.1.2.1 the Company shall have given each shareholder notice in writing of such

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sale or transfer (including details of the terms thereof) and the proposed transferee or transferees or his or their nominees shall have, upon the expiry of the period of twenty one days after the date of such notice, offered to purchase at the Specified Price as hereinafter defined the whole of the issued share capital of the Company and such offer shall have remained open for acceptance for a period of not less than seven days; and

13.1.2.2 the provisions of Article 4.3 have been complied with and all the CRP Shares have been redeemed or have been purchased at the Specified Price stipulated in Article 3.2.6.

13.2 For the purpose of Article 13.1, the expression:-

"Associate" shall mean:-

13.2.1 the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of any relevant person;

13.2.2 the trustees of any settlement set up by any relevant person or, of any settlement of which a relevant person is or is capable of being a beneficiary.

13.2.3 any nominee of a relevant person.

13.2.4 any subsidiary or holding company (as such expressions are defined in the Act) of a relevant person and any other subsidiary of any such holding company.

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- 13.2.5 any person with which any relevant person is connected, the question of whether such person is so connected falling to be determined for this purpose in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988; and
- 13.2.6 any person with whom any relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Take-overs and Mergers as for the time being current);

"a Controlling Interest" shall mean shares conferring in the aggregate more than forty five per centum of the voting rights attached to the Equity Shares of the Company for the time being in issue;

"the Specified Price" shall mean (a) in the case of CRP Shares not redeemed in accordance with the provisions of Article 4.3, a price per share of £1 plus a sum equal to any arrears or accruals of the CRP Dividend grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer and (b) in all other cases, a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares and in the event of disagreement the calculation of the Specified Price shall be referred to an independent person (acting as expert and not as arbiter) nominated by the parties concerned (or in the

event of a disagreement as to nomination appointed, on the application of either party, by the President for the time being of the Institute of Chartered Accountants) whose decision shall be final and binding.

14. Directors power to decline to register a transfer

The directors shall not be entitled to decline to register a transfer of any shares made pursuant to the provisions of these Articles unless:-

- 14.1 it is not lodged at the office or at such other place as the directors may appoint and is not accompanied by the certificate or certificates for the shares to which it relates and such other evidence as the directors may reasonable require to show the right of the transferor to make the transfer, or
- 14.2 it is in respect of more than one class of shares; or
- 14.3 it is in favour of more than four transferees.

GENERAL MEETINGS AND RESOLUTIONS

- 15.1 A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 39 of Table A shall be modified accordingly. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of accounts, balance sheets, and the reports of the directors of the Company and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors

- 15.2 Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any member is entitled to receive shall be sent to the directors of the Company and to the Auditors.
16. No business shall be transacted at any General Meeting unless a quorum is present at the time when the Meeting proceeds to business. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum provided that at any time when the A Shares remain in issue one of such persons as aforesaid must be a holder of the A Shares or a proxy for a holder of the A Shares or a duly authorised corporate representative of a holder of the A Shares.
17. If a quorum is not present within half an hour from the time appointed for a General Meeting, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors of the Company may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor those present shall constitute a quorum.
18. At any General Meeting of the Company, a poll may be demanded by one or more members present in person or by proxy and having the right to vote at the meeting and sub-clauses (b), (c) and (d) of Regulation 46 of Table A shall be modified accordingly.

APPOINTMENT AND REMOVAL OF DIRECTORS

19. There shall be no maximum number of directors of the Company.
20. The office of a director shall be vacated in any of the following events, namely:-
- 20.1 if pursuant to any statutory provision he is removed or prohibited from being a director;
- 20.2 if he shall resign by writing under his hand left at the office or if he shall tender his resignation and the directors shall resolve to accept the same;
- 20.3 if he shall have a receiving order made against him, become bankrupt, apparently insolvent, be sequestrated, execute a trust deed for his creditors or shall compound with his creditors generally;
- 20.4 if he shall become insane, of unsound mind or otherwise incapable or if an order is made in respect of him under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984,
- 20.5 if he shall be absent from meetings of the directors for six months without leave and his alternate director (if any) shall not during such period have attended in his stead and the directors shall resolved that his office be vacated,
- 20.6 if, not being the Investor Director or the Chairman, he shall be removed from office by notice in writing served upon him signed by

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all his co-directors, but so that in the case of a director holding an executive office which automatically determines on his ceasing to be a director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office;

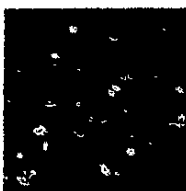
20.7 in the case of the Investor Director or the Chairman, if a notice signed by Dunedin is served removing him from office in terms of Article 22.2;

20.8 if, not being the Investor Director or the Chairman, he shall be in material breach of any of his obligations under the Subscription Agreement or in respect of any other breach of his material obligations thereunder which is remedial he fails to rectify or remedy the breach as soon as reasonably practicable after having been notified of such breach.

21. The directors of the Company shall not be required to retire by rotation.

22.1 Notwithstanding any limitation on the number of directors fixed in accordance with these Articles, Dunedin shall be entitled so long as it or any member of its Investor Group holds any shares in the Company from time to time to appoint at any time and from time to time two persons to be directors of the Company, one of whom shall be appointed non-executive Chairman of the company ("the Chairman") and the other of whom shall be referred to as the "Investor Director" and to remove from office any director so appointed and to appoint another in his place and whilst a member of its Investor Group holds

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any A Shares, there shall be no quorum at any meeting of the board of directors at which any variation of the rights as defined in Article 6 are to be discussed unless the Investor Director is present.

- 22.2 The appointment and removal of the Investor Director or the Chairman shall, unless otherwise agreed between Dunedin and the Company, be effected by a notice or notices in writing signed on behalf of Dunedin and given to the Company at its registered office and shall take effect forthwith upon receipt.
- 23 The remuneration to be paid to the Investor Director shall be payable by the Company to Dunedin and shall be such sum as may be determined in accordance with any agreement (being an agreement additional to these Articles) between the Company and Dunedin and any holder or holders of Ordinary Shares and Regulation 82 in Table A shall be read and construed accordingly. The remuneration to be paid to the Chairman shall be payable by the Company and shall be such sum as may be agreed between the Chairman and the Company (or failing such agreement, such sum as Dunedin, at its sole discretion, shall determine).
- 24 In addition and without prejudice to the provisions of Sections 303 and 304 of the Act, the Company may, by Special Resolution remove any director of the Company (other than one appointed pursuant to Article 22.1) before the expiry of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.

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25. Other than with the prior written approval of the Investor, no person shall be appointed as an additional director of the Company (except pursuant to Article 22.1) unless he shall first have agreed in writing and in consideration of his appointment as a director to be bound in all respects by all undertakings, representations and warranties given by the Company in any agreement (being an agreement additional to these Articles and including, without limitation, the Subscription Agreement) to which the Company and any holder or holders of Ordinary Shares in the Company and the holders of any A Shares and/or CRP Shares are parties, as if he were a party to such agreement.

BORROWING POWERS

26. The directors of the Company may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money and the fulfilment of obligations and the performance of contracts and to mortgage or charge the property assets and uncalled capital of the Company and (subject to Section 80 of the Act) to issue debentures, debenture stock and all other securities, whether outright or as security for any debt liability or obligation of the Company or of any third party

DIRECTORS' POWERS

27. Payment of pensions, annuities

The directors of the Company may exercise all the powers of the Company conferred by the Memorandum of Association of the

Company to pay and/or provide pensions, annuities, gratuities, superannuation, and other allowances, benefits advantages, facilities and services both for persons who are or have been directors of, or who are or have been employed by the Company and their dependants and relatives and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

28. Expenses

The Company may repay to any director all such expenses as he may reasonably and properly incur in attending and returning from meetings of the directors or of any committee or General Meetings or otherwise in or about the business of the Company.

PROCEEDINGS OF DIRECTORS

29. After the words "Subject to the provisions of the Act" in Regulation 85 of Table A there shall be inserted the following "and any relevant provisions contained in any agreement (being an agreement additional to these Articles) to which any director who is also a holder of Ordinary Shares, and the holders of any A Shares and/or CRP Shares, are parties" and Regulation 85 shall be read and construed accordingly

30. A director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted, and in relation to any such resolution as aforesaid he shall (whether or not he shall

vote on the same) be taken into account in calculating the quorum present at the meeting.

31. Subject always to the provisions of Article 22.1 the quorum necessary for the transaction of the business of the directors shall be three. A person who holds office only as an alternate director shall if his appointor is not present be counted in the quorum. In the case of an equality of votes, the Chairman shall have a second or casting vote in addition to any other vote he may have.

ALTERNATE DIRECTORS

32.1 Power to appoint alternate directors

Each director of the Company shall have the power (i) at any time to appoint as an alternate director, either another director of the Company or any other person who shall require to be approved for that purpose by resolution of the directors (acting reasonably) and (ii) at any time, to terminate such appointment

32.2 Termination

The appointment of an alternate director shall automatically terminate on the happening of any event which, if he were a director of the Company, would cause him to vacate the office of director or if his appointor shall cease for any reason to be a director of the Company otherwise than by retiring and being re-appointed at the same meeting.

32.3 Appointment etc to be in writing

Every appointment, removal or resignation of an alternate director, shall be in writing signed by the appointor or (as the case may be) by

the alternate directors and shall take effect (subject to any approval required under Article 32.1) upon receipt of such written appointment, removal or resignation at the registered office of the Company.

32.4 Alternate directors to receive notices

An alternate director shall, (subject to his giving to the Company an address within the United Kingdom at which notices may be served) be entitled to receive notice of all meetings of the directors of the Company or of any committee of the directors of which his appointor is a member, and to attend and, in place of his appointor, vote as a director and be counted for the purposes of a quorum at any such meeting at which his appointor is not personally present and generally, in the absence of his appointor, to perform and exercise all the functions, powers and duties as a director of his appointor and to receive notice of all General Meetings. An alternate director shall during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor but shall not be entitled to any remuneration or fee from the Company.

32.5 Alternate Director's Right to vote

A director of the Company or any other person may act as alternate director to represent more than one director of the Company and an alternate director shall be entitled at meetings of the directors of the Company or any committee of the directors of the Company to one vote for every director whom he represents in addition to his own vote (if any) as a director

THE SEAL

33. In Regulation 6 of Table A the words "or executed in accordance with Section 36B of the Act" shall be inserted after the words "sealed with the seal".

INDEMNITY

34. Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Sections 144 or 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto PROVIDED THAT this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

The directors of the Company shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or Auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or

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associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking 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 the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund; for the purposes of this Article "holding company" and "subsidiary undertaking" shall have the same meanings as in the Act.

SYNDICATION

- 36.1 Without prejudice to article 4.3, Dunedin may at any time within two years of the date of the Subscription Agreement require redemption of such of its CRP Shares as it may specify up to a maximum of one half in total of its original holdings. Redemption will be made forthwith upon and out of the proceeds of the issue by the Company to one or more Syndicatees of equivalent numbers of CRP Shares. The shares to be redeemed under this article are herein referred to as "Redemption Shares"
- 36.2 For the purposes of section 80 of the Act the directors are hereby unconditionally authorised to allot and issue to Syndicatees up to a total of 1,882,927 CRP Shares of £1.00 each;

By virtue of section 91 of the Act section 89(1) of the Act shall not apply to any such allotments. The authority contained in this sub-article shall terminate 5 years after the date of the adoption of these articles.

36.3 The Company shall pay to each holder of Redemption Shares (or as it shall direct) upon redemption of such shares a sum equal to the subscription price paid for such shares. The redemption moneys shall be paid in accordance with the provisions of an Accession Agreement entered into pursuant to the Subscription Agreement. Upon receipt of the redemption moneys each holder of Redemption Shares shall surrender to the Company the certificates for his Redemption Shares in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue to the holders a fresh certificate for the balance of the shares not redeemable.

36.4 Upon redemption of the Redemption Shares, Dunedin shall, upon notice in writing to each Syndicatee, be entitled to require that:-

36.4.1 all rights to any arrears, deficiency or accruals of dividends shall be extinguished in which case, each Syndicatee shall, notwithstanding the date upon which he becomes a member of the Company and in addition to his rights under article 41, be entitled to receive by way of dividend on each CRP Share subscribed by him an amount equal to all arrears, deficiencies or accruals of dividends to which each of the CRP Shares redeemed under this article 36 would have been entitled if such shares had not been so redeemed on the dates on which such dividends would have been payable, or

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36.4.2 the shares issued to the Syndicatee shall have the same rights as the Redemption Shares which they replace except that dividends shall only accrue thereon from the date of subscription thereof, in which case, forthwith upon redemption the dividends on the Redemption Shares shall cease to accrue. All dividends accrued on the Redemption Shares down to the date of redemption shall remain the property of the holders thereof and shall be paid on the same date as they would have been paid had redemption not taken place. If any objection is raised to the payment of these dividends on the grounds that the shares in respect of which they are being paid have ceased to exist then equivalent dividends shall be deemed to have accrued on the shares retained by the holders of the Redemption Shares.

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

DEMURE LIMITED
(formerly Dunwilco (606) Limited)

Registered No. 179907

Incorporated in Scotland on the 23rd day of October 1997.

DUNDAS & WILSON CS
Solicitors
Saltire Court
20 Castle Terrace
EDINBURGH EH1 2EN

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
(as amended by Special Resolution dated 16th January 1998)
of
DEMURE LIMITED

- I. The name of the Company is "DeMure Limited"¹.
- II. The Registered Office of the Company will be situate in Scotland.
- III. The objects for which the Company is established are:-
 - (1)² (a) To act as the holding company of the group of companies of which the Company is for the time being the holding company and in such capacity its main purpose is to acquire and hold shares in the equity share capital of Carlton Clubs PLC (No. SC123870), together with the performance of all the other functions of a holding company,
 - (b) to carry on at any place or places in the United Kingdom or elsewhere throughout the world the business or businesses of managing, controlling, supervising and coordinating the administration, business or operations of companies, corporations, undertakings, firms and persons, individually or in groups and generally to carry on the business of a holding company;
 - (c) To acquire, hold and control either beneficially or as a nominee the whole or any part of the shares, stocks, loan stock, debentures and other securities issued or guaranteed by any company constituted or

¹ The Company's name was changed by Special Resolution dated 16th January 1998 from "Dunwicko (1606) Limited" to "DeMure Limited" conform to Certificate of Incorporation on Change of Name dated 19th January 1998.

² As inserted by Special Resolution dated 16th January 1998.

carrying on business in the United Kingdom or elsewhere, and funds, loans, securities or obligations of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;

- (d) To acquire any such shares, stocks, loan stock, debentures, securities, obligations, funds or loans by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same conditionally or otherwise, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being, and to buy and sell foreign exchange.
- (2) (a) To buy, purchase, feu, take on lease, or in exchange or otherwise acquire, hold (whether as investments or otherwise), manage, work and develop any lands, properties and buildings (and any plant and machinery contained therein or thereon, or other fittings or contents) of whatever nature and description and any estate or interest in, and any rights connected with, such lands, properties and buildings (and any plant and machinery contained therein or thereon, or other fittings or contents), and to turn to account any of the foregoing acquired by the Company or in which the Company is interested; to lay out and prepare any land acquired by the Company or in which the Company is interested for building purposes, to build, construct, reconstruct, alter, demolish, maintain, decorate, furnish, fit out, repair, improve, consolidate, connect or sub divide properties and buildings of whatever nature or description; to plant, pave, drain, farm, cultivate and develop any lands; to lend or advance money and to enter into contracts and arrangements of all kinds with builders, tenants and others; and to sell, feu, lease, sub-lease, exchange, surrender or otherwise deal in, grant rights over, or dispose of any of the foregoing.

- (b) To carry on all or any of the businesses of builders, building and civil engineering contractors, land, estate and property owners and developers, repairers and jobbers, land and estate agents and managers, rent collectors, mortgage and insurance brokers and agents, architects and building surveyors, designers, draughtsmen and technicians, valuers and auctioneers, builders' merchants, plant hire specialists and contractors, merchants of and dealers in plant, machinery, vehicles and appliances of all kinds, painters and decorators, plumbers, haulage and transport contractors, electricians and general engineers;
- (c) To employ, engage, hire or otherwise obtain the services of any person or persons, firm or company as sub-contractors in respect of any building, demolition or other works upon such terms and conditions which the Directors consider to be expedient.
- (3) To purchase, take on lease or in exchange, hire or otherwise acquire and hold heritable or moveable, real or personal property of every description and wherever situate and any option, interest, licence, servitude, easement, right or privilege in or over such property which the Company or its Directors may think necessary or convenient for the purposes of its business or for investment or for the furtherance of its objects, and in particular but not limited to any land, buildings, apparatus, machinery, plant and stock-in-trade; and also to sell, feu, lease, let, exchange, surrender, mortgage, charge or otherwise dispose of or deal with or to occupy, factor, maintain, manage, control, work, alter, extend, equip, improve, exploit, develop, replace or turn to account in any manner or way any such property or to grant any option, interest, licence, servitude, easement, right or privilege in or over any such property.
- (4) To promote, establish, develop and carry on any other business or activity whatsoever and to do anything of any nature which in the opinion of the Company or its Directors is or may be capable of being conveniently carried on or done in connection with any business of the Company heretofore or

hereinafter authorised, whether eiusdem generis therewith or not, or calculated as likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking, property, rights or assets or utilising its know how or expertise or otherwise advancing the interests of the Company or of its members.

(5) To purchase or acquire by exchange, subscription, application, promotion or otherwise and to hold and deal with in any manner or way any of the property following:-

(a) all or any part of the undertaking, property, business or assets of any person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property which in the opinion of the Company or its Directors is suitable for any of the purposes of the Company; or any interest in any partnership or joint venture or joint-purse arrangement or other arrangement regarding the sharing of profits or any union of interests with any such person, firm or company, and, as part of the consideration for any such acquisition, to undertake all or any of the transactions or liabilities of any person, firm or company, and to give or accept by way of consideration, for any of such acts or things or for any such undertaking, property, business, assets or interests acquired, any shares, stock, debentures, debenture stock or other securities which the Company has power to issue or partly in more than one of or in all of such modes and to acquire, hold, retain, sell, dispose of, charge, mortgage and deal with any shares, stock, debentures, debenture stock or other securities received.

(b) the whole or any part of the shares, stock, debentures, debenture stock and other securities, units, participations or interests in or of any corporations, companies, associations, undertakings or firms for the time being engaged, concerned or interested in any industry, trade or business of a type similar to any or all of those which the Company is empowered by this Memorandum of Association to carry on or which can conveniently be carried on in connection with any such business.

- (c) plant, machinery, and moveable, personal, heritable and real property of all kinds; and
 - (d) intellectual property rights, including but not limited to patents, patent rights or inventions, know-how, copyrights, designs, design rights, trade marks, service marks or secret processes, including without prejudice to the generality of the foregoing to register, promote and advertise the same.
- (6) To perform or do all or any of the following operations, acts or things:-
- (a) to enter into any arrangement with any government or authority, supreme, municipal, local or otherwise which may seem to the Company or its Directors conducive to the attainment of the Company's objects or any of them and to apply for, promote and obtain any legislation, order, charter, privilege, concession, licence, right, franchise or authorisation from any such government or authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which the Company or its Directors consider may be likely directly or indirectly to further the objects of the Company or the interests of its members, and to carry out, exercise and comply with the same and to oppose any proceedings or applications or the like which the Company or its Directors consider may be directly or indirectly prejudicial to the interests of the Company or its members.

- (b) to apply for, take out, obtain, purchase and otherwise acquire any grants, licences, concessions and the like conferring any exclusive or absolute or non-exclusive or limited right to use, or any secret processes or other information regarding, any invention or discovery which may seem to the Company or its Directors capable of being used for any of the purposes of the Company or the acquisition of which may seem likely to the Company or its Directors directly or indirectly to benefit the Company or its members and to carry on research and to acquire, use, maintain, exercise, develop, manufacture under, sell or otherwise dispose of, deal with or turn to account any such licences, concessions and the like and other information aforesaid;
- (c) to lend and advance money, to place money on current account or deposit and to grant or provide credit and financial accommodation to any person, firm or company, including, without limitation, any clients of or other persons having dealings with the Company, or to agents acting for or representing the Company on such terms as may be thought fit and with or without security and to buy and sell foreign currency and to carry on the business of a banking, finance or insurance company;
- (d) to receive from any person, firm or company, including shareholders and Directors of the Company, money or securities, on deposit or loan, at interest or for safe custody or otherwise;
- (e) to borrow and raise money with or without security and, for the purposes or in connection with the borrowing or raising of money by the Company, to become a member of any building society and to accept money on deposit and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit by the Company or its Directors and, in particular, by the granting or creating or the permitting to subsist of any heritable securities or other fixed securities or assignments in security or

assignments or other conveyances or mortgages or pledges of or charges over or any set-off against or lien or hypothec upon the undertaking of the Company and all or any of its heritable and moveable, real and personal property, (present and future) or by the granting or creating or the permitting to subsist of any mortgage, pledge or charge over all or any of the uncalled capital for the time being of the Company or by the creation and issue, at par or at a premium or discount and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, of bonds, debentures, debenture stock, perpetual, redeemable or repayable or otherwise or of other obligations or securities of the Company of any description;

- (f) to enter into any guarantee, contract of indemnity or suretyship and in particular, (without prejudice to the generality of the foregoing) whether with or without the Company receiving any consideration, to guarantee or to grant any indemnity in respect of or to secure (with or without a personal covenant and with or without a heritable security or other fixed security or assignation in security or assignation or other conveyance or mortgage or pledge of or charge over or set-off against or lien upon all or any part of the undertaking and assets, present and future, and the uncalled capital of the Company) the performance of any obligation, contract or liability or loss or cost or expense or the payment of any debt or sum including the principal amount thereof or any dividend, interest or premium on any stock, debenture, debenture stock, bond, share or other security of any person, firm or company including (without prejudice to the generality of the foregoing) any company which is for the time being a holding company of the Company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of such other company.

- (g) to accept, draw, issue, make, create, execute, discount, endorse, negotiate, and to buy, sell and deal in bank drafts, bills of exchange, promissory notes, debentures, bills of lading and other instruments and securities, whether negotiable, transferable or otherwise;
- (h) to enter into any partnership or any joint venture or any joint-purse arrangement or any profit-sharing arrangement and to co-operate or participate in any way with, and to assist or subsidise, any company, firm or person;
- (i) to establish, promote, organise, incorporate, reorganise, finance and to aid and assist, financially or otherwise, companies, corporations, syndicates, partnerships and associations of all kinds;
- (j) to carry on any business or branch of a business which this Company is authorised to carry on by means, or through the agency, of any subsidiary company or companies, and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable to the Company or its Directors with reference to any business or branch so carried on including power at any time, and either temporarily or permanently, to close any such branch or business.
- (k) to acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company;
- (l) to carry on the business of a holding company and to establish or promote any company or companies for the purpose of taking over, acquiring or working any of the property, rights and liabilities of the Company, or for the purpose of carrying on any business which the

Company is authorised to carry on, or for any other purpose which may seem to the Company or its Directors directly or indirectly calculated to benefit or to advance the objects or interests of the Company or the interests of its members, with power to assist such company or companies in every way, but especially by taking shares, stocks and securities thereof, providing capital and paying preliminary expenses;

- (m) to employ the funds of the Company in the development and expansion of the business of the Company and all or any of its subsidiary or associated companies and in any other company whether now existing or hereafter to be formed and engaged in any like business to the business of the Company or in any other industry ancillary thereto or which can in the opinion of the Company or its Directors conveniently be carried on in connection therewith and to invest money of the Company in any investments and to carry on the business of a property company;
- (n) to act as directors, secretaries, managers, registrars or transfer agents or to appoint directors, secretaries, managers, registrars or transfer agents of any subsidiary company or of any company in which the Company is or may be interested or of any other company and to take part in the management, supervision and control of the business or operations of any company or undertaking, and for that purpose to appoint and remunerate any directors, managers, trustees, solicitors, accountants, actuaries, architects, valuers, surveyors or other experts or agents;
- (o) to pay all the expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company, and any other company promoted by the Company or any company in which the Company is or may contemplate being interested including in such expenses all or any part of the costs and expenses of owners of any business or property acquired by the

Company, and to procure the registration, recognition or incorporation of the Company in or under the laws of any place outside Scotland;

- (p) to issue and allot, credited as paid up in full or in part or otherwise, shares, debentures or other securities of the Company for cash or in payment or part payment for any heritable or moveable, real or personal property purchased or otherwise acquired by the Company or for any services rendered to the Company or in satisfaction of any obligation or liability undertaken or agreed to be undertaken by the Company or for any other purpose;
- (q) to give or pay any remuneration, brokerage, discount or other compensation or reward or expenses for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any shares or debentures or other securities of the Company or in or about the formation of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of company, fund or trust promoters or managers, and of underwriters or dealers in securities and to act as trustees of any kind for any person, firm or company and to undertake and execute any trusts;
- (r) to sell, exchange, transfer, let on rent, share of profit, royalty or otherwise, grant licences, servitudes, easements, options and other rights over and in any other manner deal with, turn to account, or dispose of all or any part of the undertaking, property and assets (present and future) of the Company whether heritable or moveable, real or personal, either together or in portions, for any such consideration as may be thought fit by the Company or its Directors and in particular (without prejudice to the generality of the foregoing)

(s) to establish, maintain, participate in and contribute to or to procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including Directors, former Directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of the predecessors of the Company in business or of any such other company as aforesaid or of the relations, wives, widows, families, connections or dependants of any such persons and for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and for the benefit of their relations, connections or dependants or any of them and to grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments or benefits of any kind to any of such persons as aforesaid, and to establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds or trusts calculated or considered to be for the benefit of any of such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or its members, and to make payments for or towards the insurance of any such persons as aforesaid.

[illegible]

(within the meaning of Section 743 of the Companies Act 1985) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and to lend money to the Company's employees to enable them to purchase or subscribe for shares of the Company or of a holding company of the Company; to establish and maintain any option or incentive scheme whereby selected employees (including salaried Directors and officers) of the Company are given the opportunity of acquiring shares in the capital of the Company; to formulate and carry into effect any scheme for sharing the profits of the Company with its employees (including salaried Directors and officers) or any of them; and to form or subscribe to any association, institution or fund for the protection of the interests of owners or employers by insurance against loss caused by bad debts, strikes, fire, accidents, war risks or otherwise;

- (u) to pay, subscribe or guarantee money to or for any purpose which the Company or its Directors consider may be likely, directly or indirectly, to further the interests of the Company or of its members or for any charitable, benevolent, national, educational, social, public, general or useful object or for any exhibition;
- (v) to cease carrying on or to wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory;
- (w) to distribute among the members of the Company in specie or otherwise, by way of dividend or bonus or by way of reduction of capital, all or any property or assets of the Company or any proceeds of sale or disposal thereof, and in particular shares, debentures or other securities of other companies belonging to the Company, or of which the Company may have the power to dispose, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

- (x) to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or Auditors of the Company or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking 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 the Company or any such other company, subsidiary undertaking or pension fund and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability;
- (y) to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, nominees, trustees or otherwise and either by or through agents, contractors, nominees, trustees, subsidiary companies or otherwise and either alone or in conjunction with others;
- (z) to carry on business as a general commercial company.
- (aa) to do all such other things as in the opinion of the Company are or may be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that, for the purposes of this clause, (A) "company" except where used in reference to the Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled or resident in the United Kingdom or elsewhere, (B) "person" shall include any person acting in any capacity whatsoever and any company, corporation, association, syndicate or society as well as any other legal or natural person, (C) "subsidiary", "subsidiary undertaking" and "holding company" shall be construed in accordance with Section 736 of the Companies Act 1985, (D) "securities" shall include any fully, partly or nil paid share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, (E) "and" and "or" shall mean "and/or" where the context so permits, (F) "other" and "otherwise" shall not be construed eiusdem generis where a wider construction is possible, (G) reference to any Act of Parliament shall be deemed to include any statutory amendment, modification or re-enactment thereof, and (H) the objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

IV. The liability of the members is limited.

V. The share capital of the Company is £3,769,738.01 divided into 188,501 ordinary shares of 1 penny each, 200,000 'A' ordinary shares of 1 penny each and 3,765,833 cumulative redeemable preference shares of £1 each with power to increase the capital and the Company shall have power to divide the original or any increased

¹ The Company's authorised share capital was altered as follows: - (i) by special resolution dated 16th January 1998 the existing share capital was sub-divided into 100,000 ordinary shares of 1 penny each and increased from £1,000 to £1,787.88 by the creation of an additional 79,788 ordinary shares of 1 penny each, and (ii) by special resolution dated 23rd January 1998 the existing share capital was increased to £3,769,738.01 by the creation of 9,713 ordinary shares of 1 penny each, 200,000 'A' ordinary shares of 1 penny each and 3,765,833 cumulative redeemable preference shares of £1 each

capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

I, the person whose name and address are subscribed, am desirous of being formed into a Company, in pursuance of this Memorandum of Association, and I agree to take the number of shares in the capital of the Company set opposite my name:-

Name, Address and Description of Subscriber	Number of Shares taken by Subscriber
VICTORIA JANET EWART 4TH FLOOR SALTIRE COURT 20 CASTLE TERRACE EDINBURGH SOLICITOR	One
<hr/>	
Total Shares taken	One

Dated the 15th day of October 1997

WITNESS to the above Signature:-

JACQUILINE HEPBURN
4TH FLOOR
SALTIRE COURT
20 CASTLE TERRACE
EDINBURGH
CHARTERED SECRETARY

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

DEMURE LIMITED
(formerly Dunwilco (606) Limited)

1. NAME OF COMPANY

Incorporated in Scotland on the
day of 23rd day of October 1997.

DUNDAS & WILSON CS
Solicitors
Salute Court
20 Castle Terrace
EDINBURGH EH1 2LN