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**THE COMPANIES ACTS 1948 TO 1981**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**ARRI (GB) LIMITED**



(Adopted by Special Resolution passed on the *9th April* 2003)

**PRELIMINARY**

1. The Regulations contained in Part I of Table A in the First Schedule to the Companies Act, 1948 (such Table being hereinafter referred to as "TableA") as modified by the Companies Acts 1948 to 1980 (as defined by Section 90 (2) of the Companies Act 1980) shall apply to the Company save in so far as they are excluded or varied hereby: that is to say, Clauses 11, 24, 75, 77 and 79 in Part I of Table A shall not apply to the Company; and in addition to the remaining Clauses in Part I of Table A, as varied hereby, the following shall be the Regulations of the Company.
2. The Company is a private company and accordingly no offer shall be made to the public (whether for cash or otherwise) of any shares in or debentures of the Company and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

**SHARES**

3. The Shares shall be under the control of the Directors and the Directors may allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined by Section 14 (10) of the companies Act 1980) of the Company to such persons and generally on such terms and in such manner as they think fit.
4. The general authority conferred by Article 3 hereof shall extend to all relevant securities of the Company from time to time unissued during the currency of such authority. The said general authority shall expire on the fifth anniversary of the incorporation of the Company unless varied or revoked or renewed by the Company in General meeting.
5. The Directors shall be entitled under the general authority conferred by Article 3 hereof to make at any time before the expiry of such authority any offer or

agreement which will or may require securities to be allotted after the expiry of such authority.

6. Section 17 (1) of the Companies Act 1980 shall not apply to any allotment of shares in the Company.
7. The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any member whether solely or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends payable thereon.

### **GENERAL MEETINGS**

8. Clause 54 in Part I of Table A shall be read and construed as if the last sentence ended with the words, "and if at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting, the Meeting shall be dissolved".

### **DIRECTORS**

9. Unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall not be more than seven but need not exceed one. If and so long as there is a sole Director, he may exercise all the powers and authorities vested in the Directors by these Articles or Table A.
10. The first Director or Directors of the Company shall be the person or persons named in the Statement delivered under Section 21 of the Companies Act 1976.
11. A Director shall not be required to hold any Share qualification but he shall be entitled to receive notice of and to attend and speak at any General Meeting of the Company; and Clause 134 in Part I of Table A shall be modified accordingly.
12. The Directors may subject to the restrictions in Article 15 exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue Debentures, Debenture Stock, and other Securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
13. A Director may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration; and Clause 84 in Part I of Table A shall be modified accordingly.

14. Any person may be appointed or elected as a Director, whatever his age, and no Director shall be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.

### **RESTRICTED POWERS OF DIRECTORS**

15. Notwithstanding anything in these Articles no decision of the Board of Directors shall be effective or binding on the company if it is in respect of any of the matters set out below unless the Board Resolution is passed with at least one of the Arnold and Richter Directors or Heir nominates Alternate Directors being in favour of the Resolution. The Arnold and Richter Directors are the Directors of the Company of whom there shall be at least two who are nominated by Arnold and Richter. Cine Technik GmBH & Co. Betriebs KG.
- (a) Acquisition, sale or mortgage of freehold or long leasehold properties;
  - (b) erection of buildings;
  - (c) establishment or dissolution of branches;
  - (d) transfer of the business, in whole or in substantial part, to a third party, or cessation, transfer or lease of the business or a portion thereof;
  - (e) acquisition or disposition of participations in other enterprises, or establishment, acquisition or disposition of previously acquired enterprises;
  - (f) co-operation of entering into pooling other agreements with other enterprises;
  - (g) entering into any agreement to distribute or manufacture or deal in any product;
  - (h) granting or revocation of powers of attorney insofar as such powers are not limited to activities or subordinate to an officer's responsibilities;
  - (i) entering into any employment agreement for any fixed period of more than 12 months;
  - (j) entering into leasing or similar contracts, the annual cost of which exceeds the sum of £10,000;
  - (k) incurring loans, bank credits or issuing promissory notes for amounts above such limits as may be set from time to time by the Board of Directors;
  - (l) granting of loans or the assumption of guarantees for amounts above those normally contained in delivery terms or warranties made in the ordinary course of business;
  - (m) institution of law suits or the entering into of court-approved or out-of-court settlements;

- (n) contacts or transactions between the Company and any Director except insofar as such transactions are made in fulfilment of a mandate of the Board of Directors;

### **PROCEEDINGS OF THE DIRECTORS**

16. All transactions proposed to be made by the directors of the company involving an expenditure exceeding the sterling equivalent of €500,000 (to be calculated by reference to the rate of exchange ruling at close of business on the day preceding the date on which the decision of the directors is made) must be separately approved by the directors (Vorstand) of Arri AG in advance of the transaction being entered into by the company unless such expenditure has been included and approved by the said directors (Vorstand) of Arri AG in the annual budget.

### **ALTERNATE DIRECTORS**

17. Any of the Arnold and Richter Directors may appoint any person to be an Alternate Director and may at any time revoke any such appointment.

### **TRANSFER OF SHARES**

18. The Directors may, in their absolute discretion, and without assigning any reason therefor, decline to register any transfer of any Share, whether or not it is a fully paid Share.

### **DISTRIBUTIONS**

19. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of Part III of the Companies Act 1980 which apply to the Company.
20. the company in General Meeting may on the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued Shares to be allotted as fully paid bonus Shares to those Members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions), and the Directors shall give effect to such resolution.

### **PURCHASE OF OWN SHARES**

21. 1) Subject to the provisions of the Act, the company may purchase its own shares.  
2) Subject to the provisions of the Act, the company shall not be entitled to require the execution of a share transfer from in respect of such of its own shares as it may from time to time purchase.