

Number of Company:-

3332046

## **THE COMPANIES ACT 1985**

### **COMPANY LIMITED BY SHARES**

#### **SPECIAL RESOLUTION**

**(Pursuant to Section 378 (2)  
of the Companies Act 1985)**

**of**

**Principality Ventures Limited**

Approved by the Members of the Company at an EXTRAORDINARY GENERAL MEETING duly convened and held at 72, Dunstall Road, Halesowen, West Midlands, B63 1BE on the 8th day of June 2000 at 11.15 in the forenoon.

#### **THAT:**

1. The Memorandum of Association of the Company be amended by the increase in the Company's Share capital to £1175 divided into: 1,000 Ordinary Shares of £1 each; 25 "A" Cumulative Participating Convertible Preference Shares of £1 each; 50 "B" Cumulative Participating Convertible Preference Shares of £1 each; 50 "C" Cumulative Participating Convertible Preference Shares of £1 each; and 50 "D" Cumulative Participating Convertible Preference Shares of £1 each.
2. The Memorandum of Association of the Company be amended by the replacement of clause 3(a) with the following:-  
"To acquire land within the United Kingdom and to commercially exploit the same, without limitation, the development and resale thereof, either as a whole or as individual plots with or without dwellings thereon."
3. That the provisions contained in the Articles of Association of the Company be amended in accordance with the following:-

In the Definition schedule the following are to be added or amended:



"the Participating Dividends"	means the sum of the "A"; "B"; "C"; and "D" Participating Dividends
"A Participating Dividend"	means the dividend payable pursuant to Article 6(c)(i)
"B Participating Dividend"	means the dividend payable pursuant to Article 6(c)(ii)
"C Participating Dividend"	means the dividend payable pursuant to Article 6(c)(iii)
"D Participating Dividend"	means the dividend payable pursuant to Article 6(c)(iv)
"the "A" Project"	means the sale or development of the land acquired by the Company at Parc Newydd, Foelgastell, Near Cross Hands, Wales and the land at Nant-Yr-Ynys, Llanpumpstaint, Wales.
"the "B" Project"	means the sale or development of the land situated at Penygarn Road, Tycroes, Ammanford, Carmarthenshire, Wales and the land situated at Llettyrnawr Farm, Cross Hands, Carmarthenshire, Wales.
"the "C" Project"	means the sale or development of land to be identified by the Directors as comprising the third parcel but not including any land previously disclosed as being included in either the "A" Project or the "B" Project.
"the "D" Project"	means the sale or development of land to be identified by the Directors as comprising the fourth parcel but not including any land previously disclosed as being included in either the "A" Project; the "B" Project or the "C" Project
"CPCP Shares"	means the: "A" cumulative participating convertible preference shares of £1 each; the "B" cumulative participating convertible preference shares of £1 each; the "C" cumulative participating convertible preference shares of £1 each and the "D"

cumulative participating convertible preference shares of £1 each in the share capital of the Company from time to time.

**"Loan Notes"**

means the loan notes issued by the Company in a series to those holders of "A" CPCP shares in return for loans made by those holders to the Company.

**"B Series Loan Notes"**

means the loan notes issued by the Company in a series to those holders of "B" CPCP shares in return for loans made by those holders to the Company.

**"C Series Loan Notes"**

means the loan notes issued by the Company in a series to those holders of "C" CPCP shares in return for loans made by those holders to the Company.

**"D Series Loan Notes"**

means the loan notes issued by the Company in a series to those holders of "D" CPCP shares in return for loans made by those holders to the Company.

Article 2 under the heading "Share Capital" shall be amended to read:-

"The Capital of the Company is £1075 divided into 1,000 Ordinary Shares of £1 each; 25 "A" Cumulative Participating Convertible Preference Shares of £1 each; 50 "B" Cumulative Participating Convertible Preference Shares of £1 each; 50 "C" Cumulative Participating Convertible Preference Shares of £1 each; and 50 "D" Cumulative Participating Convertible Preference Shares of £1 each.

..

Article 3 (b) shall be amended so as to read as follows:-

All shares which are of like nature to those shares already in issue but are not comprised in the authorised share capital with which the Company is currently incorporated and which the Directors propose to issue shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in General Meeting shall be Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting the period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like

terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act."

Article 5 under the heading "Dividend Policy" should be amended so as to read:-

"If in respect of any accounting period the Company has profits available for distribution (within the meaning of Part VIII of the Companies Act) after the Loan Notes and all interest thereon have been discharged in full by the Company the Directors shall procure that in the absence of agreement to the contrary by the Directors at least 50% of the same are distributed by way of cash dividends (inclusive of any interim dividends paid during the said period) by the Company within 6 months after the end of such period. In deciding whether in respect of any accounting period the Company had profits available for distribution the parties hereto shall procure in the event of disagreement only that a Reporting Accountant shall certify whether such profits are available or not and the amount thereof (if any). In giving such certificate the Reporting Accountant shall act as an expert and not an arbitrator."

Article 6 under the heading "Profits" should be amended so as to read:-

"The profits of the Company shall be identified as having been earned from the income derived from the individual Projects in which the Company is engaged during the accounting period in question after deduction of directly attributable costs to each project and against which the administration expenses of the Company shall be allocated in proportion to the level of direct expenditure on each of the projects during the period concerned and which it shall from time to time be resolved by the Directors to distribute pursuant to Article 5 herein shall be applicable in the following manner and priority:-

- (a) First in paying a cumulative preferential dividend at the rate of 5% per annum (exclusive of the associated tax credit) on the capital for the time being paid up on the CPCP Shares payable yearly on the 30th June in each year in respect of the years ending on that date ("the Preferred Dividend"); and
- (b) Secondly, in applying the balance of such profits remaining after the payment of the Preferred Dividend by paying one half of such profits as a dividend on the ordinary shares *pari passu* ("the Ordinary Dividend"); and
- (c) Thirdly, in applying the whole of the remainder of such profits in paying a dividend on the CPCP Shares ("the Participating Dividends"). In arriving at the amount

of the profits to be apportioned as applicable to the holders of the different classes of the CPCP shares the Directors and the Reporting Accountant, if any, shall have reference to the following criteria:-

(i) The Profits from the pursuance of the "A" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "A" Participating Dividend.

(ii) The Profits from the pursuance of the "B" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "B" Participating Dividend.

(iii) The Profits from the pursuance of the "C" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "C" Participating Dividend.

(iv) The Profits from the pursuance of the "D" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "D" Participating Dividend.

and such dividends shall be payable not more than six months after the end of the relevant accounting period of the Company or not more than 14 days after the Annual General Meeting at which time accounts of the Company for the relative accounting period are adopted whichever is the earlier.

And finally that the Memorandum of Association of the Company be abrogated and replaced by a new Memorandum of Association incorporating the aforesaid amendments.

I, the undersigned hereby certify that this is a true reproduction of the text of the Special Resolution approved at the meeting as foregoing,

.....  
M. P. Bailey, F.C.A.  
Company Secretary



## MEMORANDUM OF ASSOCIATION

1. The Company's name is "PRINCIPALITY VENTURES LIMITED".
2. The Company's registered office is to be situated in England and Wales.
3.
  - (a) To acquire land within the United Kingdom and to commercially exploit the same including, without limitation, the development and resale thereof, either as a whole or as individual plots with or without dwellings thereon.
  - (b) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
  - (c) To apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets Xinvention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire to propose to acquire.
  - (d) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for such co-operation, or for mutual assistance with any such person, firm or company or for subsidising or otherwise assisting any such person firm or company, and to give or accept, by way of consideration for any of the acts and things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
  - (e) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
  - (f) To invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
  - (g) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to

receive money on deposit or loan upon any terms, and to secure or guarantee

in any manner upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

- (h) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (i) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.  
To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (k) To enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.
- (l) To subscribe for, take, purchase or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (m) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (n) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

- (o) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (p) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (q) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (r) To distribute among the Members of the Company in kind any property of the Company of whatever nature.
- (s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company.
- (t) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society or club which may be for the benefit of the Company or its Directors or employees, the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance including insurance for any Director, officer or Auditor against any liability as is referred to in Section 310(1) of the Act; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (u) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (v) To procure the Company to be registered or recognised in any part of the world.



(w) To do all and any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

(x) To all such other things as may be deemed incidental or conducive to the attainment of the Company's object or of any of the powers given to it by the Act or by this Clause. AND so that:

- (1) None of the provisions set forth in any sub-clause of this Clause shall be restrictively construed but in the widest interpretation shall be given to each such provision, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (2) The word "Company" in this Clause except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
- (3) In this Clause the expression "the Act means the Companies Act 1985 but so that any reference in this Clause 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.

4. The liability of the Members is limited.

5. The Company's share capital is £1,175 divided into 1175 shares of £1 each.

WE, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and addresses of Subscribers	Number of shares taken by each Subscriber
1. Instant Companies Limited 1 Mitchell Lane Bristol BS1 6BU	One
2. Swift Incorporations Limited 1 Mitchell Lane Bristol BS1 6BU	One
Total shares taken	Two

Witness to the above signatures: .

Mark Anderson  
1 Mitchell Lane  
Bristol  
BS1 6BU

.....

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

PRELIMINARY

1 (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) In these Articles the expression "the Act means the Companies Act 1985, 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.

(c) In these Articles unless the context otherwise requires the following expressions have the following meanings:

"Reporting Accountant"	means the Reporting Accountant for the time being of the Company
"CPCP Director"	means any director for the time being appointed and holding office pursuant to Article 9 (e)
"CPCP Shares"	means the cumulative participating convertible preference shares of £1 each in the share capital of the Company from time to time
"Ordinary Share Director"	means any director the time being appointed and holding office pursuant to Article 9(d)
"the Directors"	means the CPCP Director and the Ordinary Share Director
"Ordinary Shares"	means the Ordinary Shares of £1 each in the share capital of the Company from time to time
"Controlling Interest"	means any interest in any shares in the capital of the Company conferring in the aggregate 50 per cent or more of the total voting rights conferred by all the shares of that class in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company

<b>"Ordinary Dividend"</b>	means the dividend payable pursuant to the provisions of Article 6(b)
<b>"Preferred Dividend"</b>	means the dividend payable pursuant to the provisions of Article 6(a)
<b>"Participating Dividend"</b>	means the sum of the "A", "B", "C" and "D" Participating Dividends
<b>"A Participating Dividend"</b>	means the dividend payable pursuant to Article 6(c)(i)
<b>"B Participating Dividend"</b>	means the dividend payable pursuant to Article 6(c)(ii)
<b>"C Participating Dividend"</b>	means the dividend payable pursuant to Article 6(c)(iii)
<b>"D Participating Dividend"</b>	means the dividend payable pursuant to Article 6(c)(iv)
<b>"the "A" Project"</b>	means the sale or development of the land acquired by the Company at Parc Newydd, Foelgastell, Near Cross Hands, Wales and the land at Nant-Yr-Ynys, Llanpumpsaint, Wales
<b>"the "B" Project"</b>	means the sale or development of the land situated at Penygarn Road, Tycroes, Ammanford, Carmarthenshire, Wales and the land situated at Lletymawr Farm, Cross Hands, Carmarthenshire, Wales.
<b>"the "C" Project"</b>	means the sale or development of land to be identified by the Directors as comprising the third parcel but not including any land previously disclosed as being included in either the "A" Project or the "B" Project.
<b>"the "D" Project"</b>	means the sale or development of land to be identified by the Directors as comprising the fourth parcel but not including any land previously disclosed as being included in either the "A" Project, the "B" Project, or the "C" Project.
<b>"CPCP Shares"</b>	means the "A" cumulative participating convertible shares of £1 each, the "B" cumulative participating convertible shares of £1 each, the "C" cumulative participating convertible shares of £1 each, the "D" cumulative participating convertible shares of £1 each in the share capital of the Company from time to time.
<b>"Loan Notes"</b>	means the loan notes issued by the Company in a series to those holders of "A" CPCP shares in return for loans made by those holders to the Company
<b>"B Series Loan Notes"</b>	means the loan notes issued by the Company in a series to those holders of "B" CPCP shares in return for loans made by those holders to the Company

- "C Series Loan Notes" means the loan notes issued by the Company in a series to those holders of "C" CPCP shares in return for loans made by those holders to the Company
- "D Series Loan Notes" means the loan notes issued by the Company in a series to those holders of "D" CPCP shares in return for loans made by those holders to the Company
- "paid up" means, in relation to a share, that such share is paid up or credited as paid up
- "Share" means a share in the capital of the Company of whatever class
- "Trigger Event" means any or all of the following events:
- i) any variation or abrogation of the rights attached to the CPCP Shares to which the holders of the CPCP Shares have not given their consent as provided for in Article 12
  - ii) the sale or flotation of any Ordinary Shares or a Controlling Interest thereof
  - iii) the sale of the whole of the assets and business of the Company
- (d) In these Articles words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of adoption of these Articles
- (e) In these Articles words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships
- (f) References to Articles herein are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears

### SHARE CAPITAL

2. The capital of the Company is £1075 divided into 1,000 Ordinary Shares of £1 each, 25 "A" Cumulative Participating Convertible Preference Shares of £1 each, 50 "B" Cumulative Participating Convertible Preference Shares of £1 each, 50 "C" Cumulative Participating Convertible Preference Shares of £1 each, 50 "D" Cumulative Participating Convertible Preference Shares of £1 each

### ALLOTMENT OF SHARES

3. (a) Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to paragraph (d) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- (b) All shares which are of like nature to those shares already in issue but are not comprised in the authorised share capital with which the Company is currently incorporated and which the Directors propose to

issue shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefore than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act.

(c) In accordance with Section 91 (1) of the Act Sections 89 (1) and 90 (1) to (6) (inclusive) of the Act shall not apply to the Company.

(d) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

#### **SHARES**

4. (a) The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, 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 person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all monies presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.

(b) The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

#### **DIVIDEND POLICY**

5. "If in respect of any accounting period the Company has profits available for distribution (within the meaning of Part VIII of the Companies Act) after the Loan Notes and all interest thereon have been discharged in full by the Company the Directors shall procure that in the absence of agreement to the contrary by the Directors at least 50% of the same are distributed by way of cash dividends (inclusive of any interim dividends paid during the said period) by the Company within 6 months after the end of such period. In deciding whether in respect of any accounting period the Company had profits available for distribution the parties hereto shall procure in the event of disagreement only that a Reporting Accountant shall certify whether such profits are available or not and the amount thereof (if any). In giving such certificate the Reporting Accountant shall act as an expert and not an arbitrator."

#### **PROFITS**

6. "The profits of the Company shall be identified as having been earned from the income derived from the individual Projects in which the Company is engaged during the accounting period in question

after deduction of directly attributable costs to each project and against which the administration expenses of the Company shall be allocated in proportion to the level of direct expenditure on each of the projects during the period concerned and which it shall from time to time be resolved by the Directors to distribute pursuant to Article 5 herein shall be applicable in the following manner and priority:-

- (a) First in paying a cumulative preferential dividend at the rate of 5% per annum (exclusive of the associated tax credit) on the capital for the time being paid up on the CPCP Shares payable yearly on the 30th June in each year in respect of the years ending on that date ("the Preferred Dividend"); and
- (b) Secondly, in applying the balance of such profits remaining after the payment of the Preferred Dividend by paying one half of such profits as a dividend on the ordinary shares *pari passu* ("the Ordinary Dividend"); and
- (c) Thirdly, in applying the whole of the remainder of such profits in paying a dividend on the CPCP Shares ("the Participating Dividends"). In arriving at the amount of the profits to be apportioned as applicable to the holders of the different classes of the CPCP shares the Directors and the Reporting Accountant, if any, shall have reference to the following criteria:-
  - (i) The Profits from the pursuance of the "A" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "A" Participating Dividend.
  - (ii) The Profits from the pursuance of the "B" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "B" Participating Dividend.
  - (iii) The Profits from the pursuance of the "C" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "C" Participating Dividend.
  - (iv) The Profits from the pursuance of the "D" Project shall be available after the application of the appropriate proportion of the Preferred Dividend and the appropriate proportion of the Ordinary Dividend for the payment of the "D" Participating Dividend.

and such dividends shall be payable not more than six months after the end of the relevant accounting period of the Company or not more than 14 days after the Annual General Meeting at which time accounts of the Company for the relative accounting period are adopted whichever is the earlier.

#### **GENERAL MEETINGS AND RESOLUTIONS**

- 7. (a) 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 and to the Auditors for the time being of the Company.

- (b) No business shall be transacted at any General Meeting unless a quorum is present. Subject to paragraph (c) below 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.
- (c) If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum.
- (d) 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 other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefore such adjourned General Meeting shall be dissolved.
- (e) Clauses 40 and 41 in Table A shall not apply to the Company.
- (f) If and for so long as the Company has only one Member and that Member takes any decision which is required to be taken in General Meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act.
- (g) Any decision taken by a sole Member pursuant to paragraph (f) above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

#### **CASTING VOTE**

- 8. The Chairman shall not, in the event of an equality of votes at any General Meeting of the Company, or at any meeting of the Directors or of a Committee of Directors, have a second or casting vote. Clause 50 in Table A shall not apply to the Company, and Clauses 88 and 72 in Table A shall be modified accordingly.

#### **APPOINTMENT OF DIRECTORS**

- (e)
  - (a) Clause 64 in Table A shall not apply to the Company.
  - (b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination the maximum number of Directors shall be two and the minimum number of Directors shall be one. Whosoever the minimum number of Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally and Clause 89 in Table A shall be modified accordingly.
  - (c) The Directors shall not be required to retire by rotation and Clause 73 and 80 (inclusive) in Table A shall not apply to the Company.
  - (d) The holders of over 50% of the Ordinary Shares shall be entitled by notice in writing to the Company to appoint a director and by like notice to remove any such director and from time to time to appoint any other person to be a director in the place of a director so removed. Any director so appointed shall be an Ordinary Share Director
  - (e) The holders of 75 % or more of the CPCP Shares shall be entitled by notice in writing to the Company to appoint a director and by like notice to remove any such director and at any time and

from time to time by like notice to appoint any other person to be a director in place of a director so removed. Any director so appointed shall be a **CPCP Director**

- (f) A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgement at the office or on delivery to a meeting of the directors or on delivery to the secretary
- (g) Every director appointed pursuant to this Article shall hold office until he is either removed in manner provided by this Article or dies or vacates office pursuant to regulation 81 and neither the company in general meeting nor the directors shall have power to fill any such vacancy
- (h) Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine
- (i) In any case where as the result of the death of a sole Member of the Company the Company has no Members and no Directors the personal representatives of such deceased member shall have the right by notice in writing to appoint a person to be a Director of the Company.

### **BORROWING POWERS**

- 10. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over 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.

### **ALTERNATE DIRECTORS**

- 11. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.
- (b) A Director, or any such other person as is mentioned in clause 65 in Table A, may act as an alternate Director represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

### **RIGHTS OF CPCP SHAREHOLDERS**

- 12. (a) The rights attached to the CPCP Shares 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 three-fourths of the issued CPCP Shares, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the CPCP Shares but not otherwise. To every such separate meeting all the provisions of these Articles of Association relating to general meetings of the Company shall, mutatis mutandis, apply except that the necessary quorum shall be two persons holding or representing by proxy at least two thirds in nominal amount of the issued CPCP Shares and any holder of such shares present in person or by proxy may demand a poll, (so that if at any adjourned meeting of such holders a quorum as above defined is not present any holder of CPCP Shares who is present shall be a quorum), and the holders of CPCP Shares shall, on a poll, have one vote in respect of every such share held by them respectively. Without prejudice to the generality of this article, the rights attached to the CPCP Shares shall be deemed to be varied (save where such prior consent as aforesaid shall have been given):



- (i) by the calling of any meeting of the Company (which in these Articles of Association shall include the issue by the Company of a written resolution) for the purpose of effecting any alteration or increases or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries or the creation of further shares ranking in any respect in priority to or *pari passu* with the CPCP Shares; or
  - (e) by any alteration of the restrictions on the powers of the directors of the Company and its subsidiaries to borrow give guarantees or create charges; or
  - (iii) by the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company; or
  - (iv) by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase or redeem any of its shares
  - (v) by the calling of a meeting of the Company for the purposes of amending the Company's Memorandum or amending or adopting new Articles of Association of the Company
  - (vi) any breach by the Company of the obligations under the Loan Notes or any of them in the Series
- (b) The holders of the CPCP Shares shall not be entitled to receive notice of or attend or vote at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution directly and adversely affecting any of the rights attached to the CPCP Shares and in particular but without limitation if there is business to be considered which would constitute a variation of the rights attaching to the CPCP Shares as set in Article 12 (a) when the holders of the CPCP Shares shall have such number of votes for every such share held by them as shall result in the total number of votes attached to the CPCP Shares being equal the total number of votes attached to the Ordinary Shares

### **CONVERSION OF CPCP SHARES**

- (c) The majority in value of the holders of the CPCP Shares shall be entitled upon the happening of a Trigger Event to call for the conversion of the CPCP Shares into Ordinary Shares on the basis of one CPCP Share for such number of Ordinary Shares so that when aggregated with all the shares of whatever class in the capital of the Company with a voting power the holders of the converted shares will have a total voting power which is equal to 50% of the voting power exercisable by all members of the Company at a general meeting when the following provisions shall have effect:
- (i) the conversion shall be effected by notice in writing given by the requisite majority of holders of all the CPCP Shares to the Company and the conversion shall take effect immediately upon the services of such notice on the Company;
  - (ii) forthwith thereafter the holders of the Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of CPCP Shares and the Company shall issue to such holders certificates for the Ordinary Shares resulting from conversion;
  - (iii) on the date of conversion the Company shall pay a dividend to the holders of the CPCP Shares equal to any arrears or deficiency or accruals of the Preferred Dividend earned and declared but not paid and the Participating Dividend calculated on a daily basis from the date or dates on which the last of each such dividend was paid in respect of such shares to the date of conversion

## **GRATUITIES AND PENSIONS**

14. (a) The Directors may exercise the powers of the Company conferred by Clause 3(ii)(t) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers
- (b) Clause 87 in Table A shall not apply to the Company

## **PROCEEDINGS OF DIRECTORS**

15. (a) 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.
- (b) Clauses 94 and 97 (inclusive) in Table A shall not apply to the Company.
- (c) Except during periods when there is, for whatever reason, no Ordinary Share Director or no CPCP Director the quorum for the transactions of the business of the Directors shall be two of whom one shall be an Ordinary Share Director and one a CPCP Director; and any committee of the directors shall include at least one Ordinary Share Director and one CPCP Director and the quorum for the transaction of the business of any such committee shall be two of whom one shall be an Ordinary Share Director and one a CPCP Director
- (d) In the event that at any duly convened meeting of the Directors or of any committee of the Directors the meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day, and at such other time and place as the Ordinary Share Director and the CPCP Director may agree in writing)
- (e) No CPCP Director may in any circumstances vote against a resolution in respect of the Loan Notes in the Series to pay interest or repay capital on the same

## **DEADLOCK**

16. (a) Whenever at a meeting of the Directors the Directors are unable to arrive at a decision on the distribution of profits pursuant to Article 6 by reason of disagreement between the Directors in circumstances where the objects of the Company has been wholly achieved then a deadlock shall be deemed to have occurred in relation to that matter
- (b) If and whenever a deadlock is deemed to have occurred either Director shall be entitled, within 14 days after the date on which the deadlock occurred, by notice in writing to the other, to require the matter to which the deadlock relates to be referred to an expert for final determination
- (c) The said expert shall be such Chartered Accountant as shall be appointed in writing by the Directors or, failing such appointment within 14 days after the date of service of the notice referred to in sub-clause (b), appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or, if he shall be unable or unwilling to make such appointment, by the High Court of Justice in England (in either of the latter cases, upon the application at any time of either Director). The expert shall act as an expert and not as an arbitrator and his written determination shall (in the absence of clerical or manifest error appearing within 14 days of its delivery to the Directors) be final and binding on the Directors
- (d) The Directors and the Company shall supply the expert with any information which he may request in connection with his determination

- (e) The expert shall give due weight to any written representations put forward by either Director or by any Shareholder received by him within such time limit as he may determine but the expert need not give any reasons for his decision
- (f) The expert shall determine what course of action in all the circumstances it would be appropriate for the Company to take in its best interests. In reaching his determination the expert shall, so far as possible, balance the interests of the holders of the CPCP Shares and the holders of the Ordinary Shares fairly but he shall not put the interests of any shareholder before those of the Company
- (g) In giving his decision the expert shall be entitled to specify any matters which he considers, in his absolute discretion, should be implemented or otherwise transacted in order to give commercial efficacy to his determination
- (h) Forthwith upon receiving the expert's determination the holders of the CPCP Shares and the holders of the Ordinary Shares and the Directors shall exercise their powers in relation to the Company to procure that the Company complies with the expert's determination and with any directions contained therein
- (i) The fees and expenses of the expert shall be paid by the Company in equal shares unless the expert determines that the conduct of either Director is such that he should bear all of such fees and expenses

#### **THE SEAL**

- 17. (a) If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless and otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Clause 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Clauses 101 of Table A shall not apply to the Company.
- (b) The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

#### **INDEMNITY**

- 18. (a) Every Director or other officer or Auditor 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, or in connection with any application under Section 144 or Section 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. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- (b) The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.
- (c) Clause 118 in Table A shall not apply to the Company.

#### **APPLICATION OF ASSETS ON WINDING UP**

- 19. On a winding up of the surplus assets available for the contributories shall be applicable in the following manner and priority :

- (a) Firstly, in returning to the holders of the CPCP Shares the capital paid up on those shares together with a sum equal to any arrears or deficiency in the Preferred Dividend whether declared or earned or not; and
- (b) Secondly, in returning to the holders of the Ordinary Shares the capital paid up on them together with a sum equal to any arrears or deficiency in the Ordinary Dividend; and
- (c) Thirdly, in returning to the holders of the CPCP Shares a sum equal to any arrears or deficiency in the Participating Dividend; and
- (d) Fourthly, any balance of such assets shall be divisible between the holders of the CPCP Shares and the Ordinary Shares, such that the said balance is divided into two parts, with one part being distributed amongst the holders of the CPCP Shares *pari passu* and the other part being distributed amongst the holders of the Ordinary Shares *pari passu*

### **TRANSFER OF SHARES**

20. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a share, whether or not it is a fully paid share, and the first sentence of Clause 24 in Table A shall not apply to the Company.

#### **Names and addresses of Subscribers**

- 1. Instant Companies Limited  
1 Mitchell Lane  
Bristol  
BS1 6BU
- 2. Swift Incorporations Limited  
1 Mitchell Lane  
Bristol  
BS1 6BU

Witness to the above Signatures:

Mark Anderson  
1 Mitchell Lane  
Bristol  
BS1 6BU