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THE COMPANIES ACTS 1948 AND 1967

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

LOVELL JOHNS LIMITED

PRELIMINARY

1. The Company shall be a Private Company within the meaning of the Companies Act, 1948, and the Regulations contained in Part I and Part II of Table A in the First Schedule to the Act (hereinafter called 'Table A') shall apply to the Company save in so far as they are excluded or varied hereby. Regulations 22 and 23 of Part I of Table A shall be read subject to the provisions regarding the transfer of shares as herein stated and Regulations numbered 3, 24, 40 to 43 inclusive, 53, 75, 84(2), 88, 95, 99, 100, 106 and 118 shall not apply to the Company and in lieu thereof and in addition to the remaining Clauses of Table A, the following shall be the Regulations of the Company.

SHARES

2. The Share capital of the Company is £100.00 divided into One Hundred Shares of one pound each.
- 2A. Subject to the provisions of Chapter VII of Part V of the Companies Act 1985 the Company may purchase any of its own shares (including any redeemable shares); the terms and manner of any such purchase shall (save insofar as Chapter VII of Part V of the Companies Act 1985 or any authority granted by the Company in general meeting thereunder shall otherwise require) be determined by the Directors.
3. Subject to the provisions of Section 58 of the Act, any Preference Shares may, with the sanction of a special resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.
4. Subject to the provisions of any agreement binding on the Company, and in case of shares other than those constituting the original capital of the Company subject to any directions contained in the resolution of the Company creating the same, the shares of the Company, whether forming part of the original capital of the Company or subsequently created, shall be under the control of the Directors who may allot and dispose of or grant options over them to such person and on such terms as the Directors think fit.
5. The lien conferred by Clause II of Part I of Table A shall extend to fully paid Shares, and to all shares 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 several joint holders.



6. (a) The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer which would otherwise be permitted under the succeeding provisions of this Article if it is a transfer:
- i) of a share on which the Company has a lien;
 - ii) of a share (not being a fully paid share) to a person of whom they shall not approve;
 - iii) of a share (whether or not it is fully paid) made pursuant to paragraph (g) below.
- (b) Any person (hereinafter called 'the proposing transferor') proposing to transfer any shares shall give notice in writing (hereinafter called 'the transfer notice') to the Company that he desires to transfer the same and specifying the price per share which in his opinion constitutes the fair value thereof. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some) of the shares comprised in the transfer notice to any Members willing to purchase the same (hereinafter called 'the purchasing Member') at the price specified therein or at the fair value certified in accordance with paragraph (d) below (whichever shall be the lower). A transfer notice shall not be revocable except with the sanction of the Directors.
- (c) The shares comprised in any transfer notice shall be offered to the Members (other than the proposing transferor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing (hereinafter called 'the offer notice') within seven days after the receipt of the Company of the transfer notice. The offer notice shall state the price per share specified in the transfer notice and shall limit the time in which the offer may be accepted, not being less than twenty-one days nor more than forty-two days after the date of the offer notice, provided that if a certificate of fair value is requested under paragraph (d) below the offer shall remain open for acceptance for a period of fourteen days after the date on which notice of the fair value certified in accordance with that paragraph shall have been given by the Company to the Members or until the expiry of the period specified in the offer notice whichever is the later. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The offer notice shall further invite each Member to state in his reply that number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the Members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no Member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the Members in proportion to their existing holdings, the same shall be offered to the Members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto and the lots shall be drawn in such manner as the Directors may think fit.
- (d) Any member may, not later than eight days after the date of the offer notice, serve on the Company a notice in writing requesting that the Auditor for the time being of the Company (or at the discretion of the Auditor, a person nominated by the President for the time being of the Institute of Chartered Accountants in the Country of the situation of its Registered Office) certify in writing the sum which in his opinion represents the fair value of the shares comprised in the transfer notice as at the date of the transfer notice and for the purpose of this Article reference to the Auditor shall include any person so nominated. Upon receipt of such notice, the Company shall instruct the Auditor to certify as aforesaid and the costs of such valuation shall be apportioned among the proposing transferor and the purchasing members or borne by any one or more of them as the Auditor in his absolute discretion shall decide. In certifying the fair value as aforesaid the Auditor shall be considered to be acting as an expert and not as an arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply. Upon receipt of the

certificate of the Auditor, the Company shall by notice in writing inform all Members of the fair value of each share and of the price per share (being the lower of the price specified in the transfer notice and the fair value of each share) at which the shares comprised in the transfer notice are offered for sale. For the purpose of this Article the fair value of each share comprised in the transfer notice shall be the sum certified as aforesaid divided by the number of shares comprised in the transfer notice.

- (e) If purchasing members shall be found for all the shares comprised in the transfer notice within the appropriate period specified in paragraph (c) above, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called 'the sale notice') to the proposing transferor specifying the purchasing Members and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the purchasing Members.
- (f) If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares in favour of the purchasing Member.

The receipt of the Company for the purchase money shall be a good discharge to the purchasing Member. The Company shall pay the purchase money into a separate bank account.

- (g) If the Company shall not give a sales notice to the proposing transferor within the time specified in paragraph (e) above, he shall, during the period of thirty days next following the expiry of the time so specified, be at liberty subject to paragraph (a) above to transfer all or any of the shares comprised in the transfer notice to any person or persons.

BORROWING POWERS

- 7. The Directors may exercise all the powers conferred upon them by Clause 79 of Part I of Table A without any limit on the amount for the time being remaining undischarged of moneys so borrowed or secured and the proviso limiting such amount contained in that clause shall not apply.

NOTICE OF MEETINGS

- 8. In any notice calling a meeting of the Company or of any class of members of the Company there shall appear with reasonable prominence the statement with regard to proxies required by Section 136(2) of the Act.

PROCEEDINGS AT GENERAL MEETINGS

- 9. 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 paragraphs (b), (c) and (d) of Clause 58 of Part I of Table A shall be modified accordingly.

DIRECTORS

10. Until otherwise determined by the Company in General meeting the number of Directors (excluding alternate Directors) may be any number not exceeding five.
11. William Henry Johns and Kenneth Frederick Cook shall be the first Directors of the Company.
12. For as long as Macmillan Production Limited shall remain a Shareholder in the Company it shall be entitled at any time and from time to time to appoint any person as a Director of the Company and to determine the period for which that person is to hold office and to remove any Director so appointed from office. Notwithstanding anything contained elsewhere in these Articles of Association every appointment, determination or removal by Macmillan Production Limited made pursuant to this Article shall be made by notice in writing signed by or on behalf of Macmillan Production Limited and shall take effect upon receipt at the registered office of the Company.
13. The Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed as hereinbefore mentioned. Subject to Clause 13 hereof and to Clause 96 of Part I of Table A a Director may be appointed under this Clause to hold office for life or any other period or upon such terms as to the rotation of his retirement as the Directors shall at the time of his appointment determine. A Director appointed to hold office for life or any other fixed period shall not during that period be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors.

DISQUALIFICATION OF DIRECTORS

14. The office of a Director shall be vacated:-
 - (A) If he becomes bankrupt or insolvent or compounds with his creditors;
 - (B) If he becomes of unsound mind or is found a lunatic;
 - (C) If he ceases to hold any necessary Share qualification or does not obtain the same within one calendar month from the date of his appointment;
 - (D) If he becomes prohibited from being a Director by reason of any order made under Section 188 of the Act;
 - (E) If he resigns his office by notice in writing to the Company.
15. Provided that a Director declares his interest in a contract or arrangement or proposed contract or arrangement with the Company in manner provided by Section 199 of the Act he shall be counted in the quorum at any meeting of Directors at which the same is considered and shall be entitled to vote as a Director in respect thereof.

PROCEEDINGS OF DIRECTORS

16. The quorum necessary for the transaction of the business of the Director may be fixed by the Directors and until so fixed, shall, except when one Director only is in office be two. When one Director only is in office he shall have and may exercise all the powers and authorities in and over the affairs of the Company as by the regulations of the Company are conferred on the Board of Directors.
17. A resolution determined on without any Meeting of Directors and evidenced by writing under the hands of all the Directors or a sole Director shall be valid and effectual for all purposes as a resolution of the Directors passed at a Meeting duly convened, held and constituted.

ALTERNATE DIRECTORS

18. A Director other than a sole Director who for any reason considers that he is unlikely to be able to attend meetings of the Board of Directors may, with the approval of the other Directors, by writing appoint any person to be an alternate Director in his place for a period not exceeding six months on any one occasion. The person so appointed shall not be required to hold any qualification share and shall be entitled to receive notices of and to attend and vote at meetings of the Board and shall automatically vacate his office on the expiration of the term for or the happening of the event until which he is by the terms of his appointment to hold office or if the appointer revokes the appointment or himself ceases for any reason to hold office as a Director. An appointment of an alternate Director under this Clause shall not prejudice the right of the appointer to receive notices of and to attend and vote at meetings of the Board and the powers of the alternate Director shall automatically be suspended during such time as the Director appointing him is himself present in person at a meeting of the Board.

DIVIDENDS

19. Subject to any special rights attaching to any class of shares, dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall for this purpose be treated as paid on the share.

NOTICES

20. The persons mentioned in paragraph (b) of Clause 134 of Part I of Table A (being the persons on whom the ownership of a share devolves as personal representative or trustee in bankruptcy of a member) shall not, unless and until they become members of the Company, be entitled to receive notices of meetings of the Company.