

No:- 4918500

**THE COMPANIES ACTS 1985 to 1989**

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**PUBLIC COMPANY  
LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
THE CLAPHAM HOUSE GROUP PLC**

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**ADOPTED BY WRITTEN RESOLUTION  
ON 24<sup>TH</sup> OCTOBER 2003**

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**OF**

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**EXCLUSION OF OTHER REGULATIONS**

1. This document comprises the Articles of Association of the Company and no regulations set out in any statute or statutory instrument concerning companies shall apply as Articles of Association of the Company.

**INTERPRETATION**

- 2.1 In these Articles the following expressions have the following meanings unless the context otherwise requires:-

<b>Expression</b>	<b>Meaning</b>
<b><i>the Act</i></b>	the Companies Act 1985 (as amended from time to time);
<b><i>these Articles</i></b>	these Articles of Association as altered from time to time;
<b><i>the auditors</i></b>	the auditors for the time being of the Company;
<b><i>the Board</i></b>	the Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
<b><i>clear days</i></b>	in relation to the period of a notice, that period excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect;
<b><i>the Company</i></b>	The Clapham House Group Plc;
<b><i>the Directors</i></b>	the directors of the Company for the time being;
<b><i>elected</i></b>	elected or re-elected;
<b><i>Electronic Communication</i></b>	has the same meaning as in the Electronic Communications Act 2000;

<b><i>the group</i></b>	the Company and its subsidiary undertakings for the time being and " <b><i>member of the group</i></b> " shall be construed accordingly;
<b><i>the holder</i></b>	in relation to shares, the member whose name is entered in the register as the holder of the shares;
<b><i>the London Stock Exchange</i></b>	London Stock Exchange plc;
<b><i>member</i></b>	a member of the Company;
<b><i>month</i></b>	calendar month;
<b><i>the office</i></b>	the registered office for the time being of the Company;
<b><i>Operator</i></b>	has the meaning ascribed to that expression in the Uncertificated Securities Regulations;
<b><i>Ordinary Shares</i></b>	Ordinary Shares of £0.10 each in the capital of the Company;
<b><i>paid up</i></b>	paid up or credited as paid up;
<b><i>participating security</i></b>	has the meaning ascribed to that expression in the Uncertificated Securities Regulations;
<b><i>recognised person</i></b>	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 185(4) of the Act;
<b><i>Redeemable Shares</i></b>	the redeemable shares of £1 each in the capital of the Company;
<b><i>the register</i></b>	the register of members of the Company;
<b><i>relevant system</i></b>	the CREST system or any other applicable system which is a "relevant system" for the purpose of the Uncertificated Securities Regulations;
<b><i>the secretary</i></b>	the secretary of the Company or any other person appointed to perform any of the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary;
<b><i>the Statutes</i></b>	the Act, the Companies Act 1989 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company;
<b><i>Uncertificated Securities Regulations</i></b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) including any modification thereof or any regulations in substitution therefor made under Section 207 of the Companies Act 1989 and for the time being in force;
<b><i>the United Kingdom</i></b>	Great Britain and Northern Ireland; and

**year** calendar year.

- 2.2 References to writing include references to printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible and non-transitory form.
- 2.3 Words importing one gender shall (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.
- 2.4 Any words or expressions defined in the Act shall, if not inconsistent with the subject or context and unless otherwise expressly defined in these Articles, bear the same meaning in these Articles save that the word Company shall include any body corporate.
- 2.5 References to:-
- 2.5.1 "**mental disorder**" mean mental disorder as defined in section 1 of the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984 (as the case may be) and "**mentally disordered**" shall be construed accordingly;
- 2.5.2 any section or provision of any statute, if consistent with the subject or context, include any corresponding or substituted section or provision of any amending, consolidating or replacement statute;
- 2.5.3 "**executed**" include any mode of execution;
- 2.5.4 an Article by number are to the particular Article of these Articles;
- 2.5.5 a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person;
- 2.5.6 a person include references to a body corporate and to an unincorporated body of persons;
- 2.5.7 doing something by electronic means includes doing it by an Electronic Communication;
- 2.5.8 a signature or other means of verifying the authenticity of an Electronic Communication which the board may from time to time approve, means a signature printed or reproduced by mechanical or other means, any stamp or other distinctive marking made by or with the authority of the persons required to sign the document or indicate it is approved by such person;
- 2.5.9 a share (or to a holding of shares) being in uncertificated form or in certificated form are references respectively to that share being an uncertificated unit of a security or a certificated unit of a security;
- 2.5.10 a "**cash memorandum account**" are to an account so designated by the Operator of the relevant system concerned; and
- 2.5.11 a "**Regulation**" are to a regulation of the Uncertificated Securities Regulations.

## SHARE CAPITAL

3.1 The authorised share capital of the Company is £2,050,000 divided into 20,000,000 Ordinary Shares and 50,000 Redeemable Shares.

3.2 (a) The Board shall be generally and unconditionally authorised pursuant to Section 80 of the 1985 Act to exercise for each prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount.

(b) Pursuant to and within the terms of the said authority the Board shall be empowered during each prescribed period to allot equity securities wholly for cash:

(i) in connection with a rights issue; and

(ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount equal to the Section 89 Amount

as if Section 89(1) of the 1985 Act did not apply to such allotment.

3.3 For the purpose of Article 3.2:

(a) "**rights issue**" means an offer of equity securities open for acceptance for a period fixed by the Board to holders of equity securities on the register on a date fixed by the Board in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with:

- (1) fractional entitlements; or
- (2) directions from any holders of shares to deal in some other manner with their respective entitlements; or
- (3) legal or practical problems arising in any overseas territory; or
- (4) the requirements of any regulatory body or stock exchange;

(b) "**prescribed period**" means any period (not exceeding five years on any occasion) for which (i) any authority conferred pursuant to Article 3.2(a) is conferred or renewed by ordinary or special resolution stating the Section 80 Amount, and (ii) the power conferred pursuant to Article 3.2(b) is conferred or renewed by special resolution stating the Section 89 Amount;

(c) the "**Section 80 Amount**" shall for any prescribed period be that stated in the relevant ordinary or special resolution or any increased amount fixed by ordinary or special resolution;

(d) the "**Section 89 Amount**" shall for any prescribed period be that stated in the relevant special resolution;

(e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights;

(f) the Company may before the expiry of any prescribed period make an offer or agreement which would or might require relevant or equity

securities to be allotted after such expiry and the Board may allot relevant or equity securities in pursuance of any such offer or agreement as if the power to do so had no expired;

- (g) any authority conferred pursuant to Article 3.2(a) shall be capable of revocation or variation by ordinary or special resolution and of renewal by ordinary or special resolution for a period not exceeding five years; and
  - (h) any power conferred pursuant to Article 3.2(b) shall be capable of revocation or variation by special resolution and of renewal by special resolution for a period not exceeding five years.
4. Subject to the provisions of the Statutes and without prejudice to the rights attaching to any existing share or class of shares, any share may be issued with such preferred, deferred, or other special rights or such restrictions as the Company may from time to time by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine.
  5. Subject to the provisions of these Articles and to the Statutes the unissued shares in the capital of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot (with or without a right of renunciation), issue or grant options over such shares to such persons, at such time and for such consideration and upon such terms and conditions as the Board may determine. Without prejudice to any rights attached to any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Ordinary Resolution determine or if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
  6. The Company may exercise the powers of paying commissions conferred by the Statutes. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
  7. Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, shares may be issued on terms that they are, or at the option of the Company or a member are liable, to be redeemed on such terms and in such manner as may be provided by these Articles save that the date on or by which, or dates between which, any such shares are to be or may be redeemed may be fixed by the Board (and if so fixed, the date or dates must be fixed before the shares are issued).
  8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or compelled in any way to recognise any interest in any share, except an absolute right to the entirety thereof in the holder.

#### **SHARE WARRANTS**

- 9.1 The Company may, with respect to any fully paid shares, issue a share warrant stating that the bearer of the warrant is entitled to the shares specified in it and

may provide (by coupons or otherwise) for the payment of future dividends or other monies on the shares included in a share warrant.

- 9.2 The powers referred to in this Article 9 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued, and in particular on which:
- (a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out, lost or destroyed (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
  - (b) the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
  - (c) dividends will be paid; and
  - (d) a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares specified in it.

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such share warrant.

#### **VARIATION OF RIGHTS**

- 10.1 Subject to the provisions of the Statutes, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of the affected class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise).
- 10.2 All the provisions of these Articles relating to general meetings shall, mutatis mutandis, apply to every such separate general meeting, except that-
- (a) the necessary quorum at any such meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy;
  - (b) any holder of shares of the class in question present in person or by proxy may demand a poll; and
  - (c) the holder of shares of the class in question shall, on a poll, have one vote in respect of every share of such class held by him.
- 10.3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall

rank for dividend) with or subsequent to those already issued or by anything done by the Company pursuant to Article 46.

- 10.4 The provisions of Articles 10.1 to 10.3 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if such group of shares of the class differently treated formed a separate class.

#### **SHARES IN UNCERTIFICATED FORM**

- 11.1 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of share to be a participating security (subject always to the Uncertificated Securities Regulations and the facilities and requirements of the relevant systems concerned). Where they do so, Articles 11.2 and 11.3 shall commence to have effect immediately prior to the time at which the Operator of the relevant system concerned permits the class of share concerned to be a participating security.
- 11.2 In relation to any class of share which is, for the time being, a participating security, and for so long as such class remains a participating security, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:-
- (a) the holding of shares of that class in uncertificated form;
  - (b) the transfer of title to shares of that class by means of a relevant system;  
or
  - (c) the Regulations.
- 11.3 Without prejudice to the generality of Article 11.2 and notwithstanding anything contained in these Articles, where any class of share is, for the time being, a participating security (such class being referred to hereinafter as the "**Relevant Class**"):-
- (a) the register relating to the Relevant Class shall be maintained at all times in the United Kingdom;
  - (b) shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations;
  - (c) unless the Directors otherwise determine, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
  - (d) shares of the Relevant Class may be changed from uncertificated to certificated form and from certificated to uncertificated form, in accordance with and subject as provided in the Uncertificated Securities Regulations;
  - (e) title to shares of the Relevant Class which are recorded on the Register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly (and in particular) Articles 31 to 34 (inclusive) shall not apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the shares to be transferred;

- (f) the Company shall comply with the provisions of Regulations 25 and 26 in relation to the Relevant Class and Article 37 in particular shall be read as subject to Regulation 26;
- (g) the provisions of these Articles with respect to meetings of or including holders of the Relevant Class, including notices of such meeting, shall have effect subject to the provisions of Regulation 41; and
- (h) Articles 12.1 to 12.5 (inclusive) shall not apply so as to require the Company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form.

## **SHARE CERTIFICATES**

- 12.1 Every person (except a person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any share in the register shall be entitled without payment to receive one certificate in respect of each class of shares held by him or, with the consent of the Board and upon payment of such reasonable out-of-pocket expenses for every certificate after the first as the Board shall determine, to several certificates, each for one or more of his shares.
- 12.2 Shares of different classes may not be included in the same certificate.
- 12.3 Where a holder of any share (except a stock exchange nominee) has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.
- 12.4 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 12.5 The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to the joint holder who is first named in the register shall be a sufficient delivery to all of them.
- 12.6 In the case of shares held jointly by several persons any such request mentioned in this Article may only be made by the joint holder who is first named in the register.
- 12.7 Every certificate shall be executed by the Company in such manner as the Board, having regard to the Statutes and the listing requirements of the London Stock Exchange, may authorise. Every certificate shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the amount paid up thereon.
- 12.8 The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any certificates for shares or any other form of security at any time issued by the Company need not be automatic but may be applied to the certificate by some mechanical means or may be printed on them or that the certificates need not be signed by any person.
- 12.9 If a share certificate is worn out, defaced, lost or destroyed, it may be replaced without charge (other than exceptional out of pocket expenses including any charges levied by the Company's registrars) and otherwise on such terms (if any) as to evidence and/or indemnity (with or without security) as the Board may

require. In the case where the certificate is worn out or defaced, it may be renewed only upon delivery of the certificate to the Company. In the case of loss or destruction, the person to whom the new certificate is issued shall pay to the Company any exceptional out-of-pocket expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity.

#### **LIEN**

13. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently due or not) payable in respect of that share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.
14. The Company may sell in such manner as the Board decides any shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice in writing has been served on the holder of the shares in question or the person entitled to such shares by reason of death or bankruptcy of the holder or otherwise by operation of law demanding payment of the sum presently payable and stating that if the notice is not complied with the shares may be sold.
15. To give effect to any such sale the Board may authorise some person to execute any instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale, and he shall not be bound to see to the application of the purchase money.
16. The net proceeds of the sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of the liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold (where applicable) and subject to a like lien for any moneys not presently payable or any liability or engagement not likely to be presently fulfilled or discharged as existed upon the shares before the sale) be paid to the holder of (or person entitled by transmission to) the shares immediately before the sale.

#### **CALLS ON SHARES**

17. Subject to the terms of allotment of any shares, the Board may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of the nominal value of the shares or by way of premium); provided that (subject as aforesaid) no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call and that at least fourteen clear days' notice shall be given of every call specifying the time or times, place of payment and the amount called on the members' shares. A call may be revoked in whole or in part or the time fixed for its payment postponed in whole or in part by the Board at any time before receipt by the Company of the sum due thereunder.
18. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable by instalments.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

