

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

ARRIVA LONDON SOUTH LIMITED*



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1. The Company's name is "ARRIVA London South Limited"
 2. The Company's registered office is to be situated in England and Wales.
 3. The Company's objects are:-
 - (A) To carry on all or any part of the business of operating and hiring out of buses and coaches and for the maintenance of such buses and coaches and to carry on the business of public or private conveyance proprietors and the business of repairers, including manufacture associated with repair, of and dealers in buses, coaches, motor cars, goods vehicles, cabs, trailers or other vehicles and of suppliers of accessories or fuel therefor.

* By a Special Resolution dated 19 February 1998, the name of the Company was changed from South London Transport Limited to ARRIVA London South Limited.

- (B) To equip, maintain and operate public service vehicles (including trams and trolleybuses), buses, coaches or other vehicles appropriate for the carriage of passengers and, in any vehicle or vessel used for the carriage of passengers, goods by land or water and to carry on the business of public service vehicle (as above described), bus and coach proprietors and carriers by all means of passengers and goods in Great Britain and elsewhere and to carry on any branch or subsidiary commonly carried on in connection therewith.
- (C) To build garages, works, passenger, goods or other stations, shelters, offices and other buildings to be used for the purposes of any such business as is mentioned in this Memorandum.
- (D) To act as agents for travel of every kind and to sell tickets, vouchers and permits therefor and (in any part of the world) to make arrangements of all kinds in connection therewith.
- (E) To act as agents, contractors, managers, advisers and consultants in relation to any such business as is mentioned in this Memorandum.
- (F) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company, including all the issued shares of a company carrying on or proposing to carry on any business which this Company is authorised to carry on, or possessed of property suitable for the purposes of this Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit this Company.

- (G) To manage and co-ordinate the business of the Company and its subsidiaries and to engage in and carry on any other business which may, in the opinion of the Company, be advantageously or conveniently carried on by the Company in connection with or as auxiliary or incidental to the businesses of the Company or any of its subsidiaries.
- (H) To promote and form other companies for all or any of the objects mentioned in this Memorandum and to transfer to any such company all or any of the property of this Company and to take or otherwise acquire and hold shares, debentures or other securities in any such company and to fund or otherwise assist any such company.
- (I) To acquire by purchase, lease, exchange, hire or otherwise lands and property of any tenure (whether real or personal) or any interest in the same for or in connection with the purposes of the Company's business.
- (J) To receive money on deposit upon such terms as the Company may approve.
- (K) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and, in particular, by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem or pay off any such securities.
- (L) To sell, lease, exchange, let on hire, mortgage or otherwise dispose of any real or personal property or the undertaking of the Company, or any part or parts thereof, for such consideration as the Company may think fit, and, in particular, for stock, shares, debentures or other securities of any other company, whether or not having objects altogether, or in part similar to those of this Company.

- (M) To improve, manage, develop or grant rights or privileges in respect of or otherwise deal with all or any part of the property or rights of the Company.
- (N) To pay for any rights or property acquired by the Company and to remunerate any person or company, whether by cash payment or by allotment of shares, debentures or other securities of this Company credited as paid up in full or in part or otherwise.
- (O) To invest and deal with the moneys of the Company not immediately required, in any manner.
- (P) To lend money with or without security, but not to carry on the business of a registered money lender.
- (Q) To fund, assist and guarantee the payment of money or the performance of any contract, engagement or obligation by, any person or company.
- (R) To establish and support funds or institutions calculated to benefit Directors, ex-Directors, employees or ex-employees of the Company or its subsidiaries or its or their predecessors in business or the dependants or connections of such persons and to grant or secure the grant of pensions and allowances to any of them and to subscribe or guarantee money for charitable objects.
- (S) To pay out of the funds of the Company all expenses which the Company may lawfully pay of, or incidental to, the formation and registration of the Company and the issue of its capital.
- (T) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others and to procure the Company to be registered or recognised in any foreign country or place.
- (U) To promote Bills in Parliament and to oppose Bills.

(V) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them. And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and that word denoting the singular number only shall include the plural number and vice versa, and that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be regarded as separate and independent objects of the Company and shall not be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

(W) To stand surety for or to guarantee, support or indemnify or secure the performance of all or any of the obligations of any person, firm or company, whether by personal covenant or by mortgage, charge, debenture or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital and goodwill or by both such methods, and, in particular but without limiting the generality of the foregoing, to guarantee, support, indemnify or secure whether by personal covenant or by any such mortgage, charge, debenture or lien or by both such methods the performance of all or any of the obligations (including the repayment of principle and premium of and the interest on any securities and the principal and interest on any borrowings) of any company which is for the time being the Company's holding company (as defined by Section 736 of the Companies Act 1985) or a subsidiary of the Company or any other subsidiary (as defined by the said Section) of any such holding Company. For the purposes of this sub-clause (w) "guarantee" includes any obligation, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for shares or other securities and purchase of assets or services), indemnify and keep indemnified against the consequences of default in the

payment of, or otherwise be responsible for, any indebtedness of any other person**

4. The Liability of the members is limited.
5. The Company's share capital is £1,000,000 divided into 1,000,000 shares of £1 each***

** Passed by Written Resolution dated 6 September 2004.

*** By an Ordinary Resolution passed on 25 November 1993, the authorised share capital of the company increased to £15,000,000 by the creation of 14,000,000 additional 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
John Telford Beasley 3 Monmouth Square Winchester Hampshire SO22 4HY	One
London Buses Limited by Clive Hodson Secretary 172 Buckingham Palace Road London SW1W 9TN	Nine hundred and ninety- nine.
Total Shares taken	One thousand

Dated this 2nd day of December 1988

Witness to the above Signatures –

A Walker
Asst. Secretary
London Buses Ltd.
172 Buckingham Palace Road
London
SW1W 9TN

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION*

OF

ARRIVA LONDON SOUTH LIMITED

PRELIMINARY

1. (1) The Regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company save insofar as they are excluded or varied hereby, and such Regulations save as so excluded or varied together with the Articles hereinafter contained shall be the Articles of Association of the Company.
- (2) The following Regulations of Table A shall not apply to the Company, namely Regulations 3, 24, 41, 46, 48, 67, 73, 74, 75, 80, 94, 95, 96, 97.

INTERPRETATION

2. The provisions as to the interpretation of Table A contained in Regulation 1 thereof shall apply to the interpretation of these Articles as they apply to the interpretation of Table A.

PRIVATE COMPANY

3. The Company is a private company and accordingly the Company shall not offer, allot or agree to allot any shares in or debentures of the Company to the public with a view to all or any of such shares or debentures being offered for sale to the public, and sections 58(3), 59 and 60 of the Act shall apply for the purposes of this Article as they apply for the purposes of the Act.

* *Adopted by Written Resolution passed on 1 October 1998.*

4. (1) All unissued shares of the Company, whether forming part of the original or any increased capital shall be under the control of the Directors who may allot, grant options over, offer or otherwise deal with or dispose of them to such persons, including any Directors of the Company, at such times and on such terms and generally in such manner as they think fit;
- (2) The Directors are hereby generally and unconditionally authorised to exercise the powers of the Company to allot relevant securities as defined in section 80 of the Act and are empowered to make offers or agreements which would or might require relevant securities as so defined to be allotted after the expiry of such authority;
- (3) Unless and until the authority conferred by (2) above is revoked, renewed or varied,
- (a) the maximum amount of relevant securities as so defined that may be allotted under such authority shall be the amount of unissued relevant securities in the capital of the Company at the date of the incorporation of the Company;
- (b) such authority shall expire on the fifth anniversary of the date of the incorporation of the Company.

REDEMPTION OF SHARES

5. Subject to the provisions of the Act shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder, provided that the terms on which and the manner in which any such redeemable shares shall or may be redeemed shall be specified by Special Resolution before the issue thereof.

LIEN

6. The lien conferred by Regulation 8 of Table A shall also attach to:
- (a) fully paid shares;
- (b) 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.

TRANSFER OF SHARES

7. The transferor shall be deemed to remain a holder of any shares which have been or are to be transferred until the name of the transferee is entered in the register of members in respect thereof.
8. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of any share, whether or not it is fully paid.
9.
 - (1) A member (referred to in this Article as "the Transferor") desiring to transfer shares otherwise than to another member shall give notice in writing of such intention to the Directors of the Company giving particulars of the shares in question (referred to in this Article as "the transfer notice");
 - (2) The transfer notice shall constitute the Directors as agents of the transferor for the sale of the shares included in the transfer notice at the prescribed price (as hereinafter defined) and on the terms hereinafter set out;
 - (3) The prescribed price shall be such price per share as shall be agreed between the transferor and the Directors or in default of agreement as shall be fixed by the Auditors for the time being of the Company as the fair value thereof; and the cost of the said valuation by the Auditors shall be borne by the Company;
 - (4) The Directors shall offer the shares included in the transfer notice to the members of the Company (other than the transferor) at the prescribed price, and such offer shall be expressed to be open for acceptance for a period of not more than twenty-eight days;
 - (5) In the event of competition the shares so offered shall be sold to the members accepting the offer in such proportions (or as nearly as may be and without increasing the number sold to a member beyond the number applied for by him) as their existing holdings bear to the issued share capital of the Company;
 - (6) The transferor shall be bound upon receipt of the prescribed price to transfer to each member who has accepted the said offer such number of shares included in the transfer notice as such member shall have so accepted;
 - (7) Where a transferor fails or refuses so to transfer any shares within twenty-eight days after having become so bound so to do the Directors may authorise some person to execute on behalf of and as attorney for the transferor any necessary transfers and may receive the purchase money therefor in trust for the transferor; and in any such case the receipt of the Company shall be a good discharge to the purchaser who shall not be bound to see to the application thereof;

- (8) If, at the expiry of the time prescribed for the acceptance of offers under (4) above, any shares included in the transfer notice have not been accepted for purchase by the members or any of them on the terms set out in (4) to (7) above inclusive the transferor shall be at liberty to dispose of so many of such shares as have not been so accepted for purchase in any manner he may think fit within three months from the expiry of the said time prescribed under (4) above.

PROCEEDINGS AT GENERAL MEETINGS

10. (1) If the quorum prescribed by Regulation 40 of Table A is not present within half an hour from the time appointed for the meeting the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Directors may determine.
- (2) If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting one person entitled under Regulation 40 of Table A to be counted in a quorum present at the meeting shall be a quorum.
11. (1) A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded.
- (2) A poll may be demanded:-
- (a) by the Chairman; or
- (b) by a member (present in person or by proxy) having the right to attend and vote at the meeting; or
- (c) by a duly authorised representative or a corporation.
- (3) The demand for a poll may, before the poll is taken, be withdrawn.
- (4) A demand so withdrawn shall not be taken to have invalidated the result of a vote on a show of hands declared before the demand was made.
12. A resolution in writing executed pursuant to Regulation 53 of Table A and which is expressed to be a special resolution or an extraordinary resolution shall have effect accordingly.

VOTES OF MEMBERS

13. There shall be inserted the words "Unless the Directors otherwise determine" before the words "No member shall" in Regulation 57 of Table A which shall be modified accordingly in its application to the Company.

14. (1) The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:-
- (a) be deposited at the office or at such other place within the United Kingdom and at such time as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting; or
 - (b) notwithstanding any provision to the contrary in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting, be deposited with the Chairman 30 minutes before the commencement of the meeting or adjourned meeting and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.
- (2) Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof.

ALTERNATE DIRECTORS

15. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

POWERS OF DIRECTORS

16. In addition to and without prejudice to the generality of the powers conferred by Regulation 70 of Table A the Directors may mortgage or charge all the undertaking and property of the Company including the 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.

PROCEEDINGS OF DIRECTORS

17. The words "and unless so fixed at any other number shall be two" shall be omitted from Regulation 89 of Table A in its application to the Company.
18. For the purposes of Regulation 93 of Table A, the consent of a Director or an alternate Director to a resolution may also be given by giving notice of his approval to the Company by letter, telex, cable or other similar means.
19. A Director may vote as a Director in regard to any contract, arrangement or any other proposal whatsoever in which he is interested or upon any matter arising there from, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract, arrangement or proposal is under consideration.

20. Without prejudice to the first sentence of Regulation 88 in Table A, a meeting of the Directors may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic communication or by video link) to speak to each of the others and to be heard by each of the others simultaneously and the word "meeting" in these Articles and in Table A shall be construed accordingly.

INDEMNITY

21. In addition to the indemnity conferred by Regulation 118 of Table A and subject to the provisions of the Act, every such person as is mentioned in the said Regulation shall be entitled to be indemnified out of the assets of the Company against all expenses, losses or liabilities incurred by him as agent of the Company or for the Company's benefit or intended benefit or in or about the discharge or intended discharge of his duties in relation to the Company.