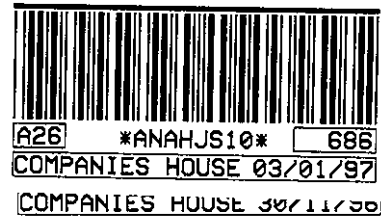


Company no. 03097532



THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

TRAM OPERATIONS LIMITED

~~The~~ The following decision was taken by the sole shareholder~~of~~ of the Company pursuant to Article 5(b) of the Articles of Association of the Company on 14th November, 1996:

CentreWest Limited, being the sole member for the time being entitled to attend and vote at a general meeting of the Company ~~HEREBY DECIDES~~ as follows:

1. THAT the Memorandum of Association of the Company be and is hereby amended by the insertion of the following sub-clauses (a), (b), (c) and (d) above existing sub-clause (a) of Clause 3(ii), and the consequential renumbering of existing sub-clauses (a) to (w) respectively.
 - (a) To equip and/or operate and/or maintain and/or otherwise manage public service vehicles, tram, rail or other transportation systems appropriate for the carriage of passengers in any area and to do all other acts, matters or things ancillary or incidental thereto.
 - (b) 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.
 - (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.
2. THAT the regulations contained in the printed document of which a copy has been produced to CentreWest and initialled by the Secretary of the Company for the purpose of identification be and they are hereby adopted as the Articles of Association

Company No: 03097532

The Companies Acts

Company Limited by Shares



ARTICLES OF ASSOCIATION

of

TRAM OPERATIONS LIMITED

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ARTICLES OF ASSOCIATION

of

TRAM OPERATIONS LIMITED

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Company Limited by Shares

ARTICLES OF ASSOCIATION

of

TRAM OPERATIONS LIMITED

DEFINITIONS AND INTERPRETATION

1. Definitions

In these Articles and the applicable regulations of Table A (as defined below) the following words and expressions have the meanings set opposite them:

"**Act**" means the Companies Act 1985 and any reference herein 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;

"**Committee**" means a committee of the board of directors of the Company duly appointed pursuant to these Articles;

"**Statutes**" means every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) for the time being in force concerning companies and affecting the Company;

"**Table A**" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985;

"**these Articles**" means these articles of association as originally adopted or as altered from time to time.

Words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations. Headings to these Articles are inserted for convenience and shall not affect their construction.

2. **Table A**

The regulations contained in Table A shall apply to the Company except in so far as they are excluded by or are inconsistent with these Articles. Regulations 8, 24, 40, 41, 64, 65, 67, 73 to 78 (inclusive), 80, 94 to 98 (inclusive), 101 and 118 of Table A shall not apply to the Company.

SHARE CAPITAL

3. **Directors' power to allot shares**

Subject to any direction to the contrary which may be given by the Company in general meeting, the directors are unconditionally authorised to allot, create, deal with or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Act) to such persons (including any director) on such terms and at such time or times as they think fit, provided that no shares shall be issued at a discount.

4. **Extent of directors' power to allot shares**

The maximum nominal amount of share capital which the directors may allot or otherwise dispose of in accordance with article 3 shall be the nominal amount of unissued share capital at the date of incorporation of the Company or such other amount as shall be authorised by the Company in general meeting.

5. **Duration of directors' power to allot shares**

The authority conferred on the directors by articles 3 and 4 shall remain in force for a period of five years from the date of incorporation of the Company and thereafter provided this authority is renewed from time to time by the Company in general meeting in accordance with section 80 of the Act.

6. **Disapplication of statutory pre-emption provisions**

In accordance with section 91(1) of the Act, the provisions of section 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the share capital of the Company (present and future).

LIEN

7. **Company's lien**

The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) called or payable at a fixed time in respect of that

share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all monies owing to the Company from him or his estate either alone or jointly with any other person whether as a member or not and whether such monies are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it.

TRANSFER OF SHARES

8. Right to refuse registration

The directors may, in their absolute discretion and without giving any reason, decline to register any transfer of any share whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS

9. Quorum

No business shall be transacted at any general meeting unless a quorum is present. Subject to article 10 of these Articles 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.

10. Quorum if only a sole member

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 quorum.

11. Procedure if a quorum is not present

If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

12. Procedure if a single member company

- 12.1 If the membership of the Company falls to one member, or having had one member, increases to more than one member an appropriate statement of such event shall together with the date of that event be entered in the register of members in accordance with section 352A of the Act.
- 12.2 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 article shall not apply to resolution passed pursuant to sections 303 and 391 of the Act. Any decision taken by a member pursuant to this article shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 12.3 If and so for so long as the Company has only one member and that member is a director, the Company shall, except as to contracts in the ordinary course of the Company's business, comply with the obligation in section 322B of the Act to ensure that any contract between the Company and that member is in writing or set out in a memorandum in writing or is recorded in the minutes of the first meeting of the directors following the making of that contract.

13. Right to demand a poll

A poll may be demanded at any general meeting by any member (or his proxy or, in the case of a corporation, his duly authorised representative) entitled to vote thereat. Regulation 46 of Table A shall be modified accordingly.

14. Resolution in writing

A resolution in writing such as is referred to in regulation 53 of Table A executed by or on behalf of a member may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the directions may from time to time resolve.

15. Voting

On a show of hands or on a poll votes may be given either personally or by proxy and regulation 54 of Table A shall be construed accordingly. In the case of a member which is a corporation, a director, the secretary or other officer thereof shall be deemed to be a duly authorised representative of that corporation for the purposes of regulation 54 of Table A.

16. Proxies

An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director, the secretary or other officer thereof or by its duly appointed attorney or duly authorised representative. Regulation 60 of Table A shall be construed accordingly. The directors may at their discretion treat a copy of a faxed or machine made instrument appointing a proxy as an instrument of proxy. Appointment of a proxy may be accepted by the directors even if the instrument is deposited less than 48 hours before the time appointed for the meeting but this power shall not prevent the directors from requiring that 48 hours' notice be given in any particular case. An instrument of proxy may be revoked at any time prior to the commencement of the meeting by notice of revocation given by such means as an instrument of proxy may be given under these Articles. Regulation 62 of Table A shall be construed accordingly.

17. Participation at meetings by telephone

Members (or their proxies or representatives) participating in the manner described in this article shall be deemed to be present in person and to be holding a meeting.

A member (or his proxy or representative) may participate in a meeting of the Company by means of a conference telephone or similar communicating equipment whereby all members (or their proxies or representatives) participating can hear each other. Resolutions in general meeting may be made through participation and voting by such means even though none or only some of the members (or their proxies or representatives) are physically present with each other.

NUMBER OF DIRECTORS

18. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum and the minimum of directors shall be one.

ALTERNATE DIRECTORS

19. Appointment, removal and cessation

Any director (other than an alternate director) may appoint any person to be an alternate director and may removed from office an alternate director so appointed by him. An alternate director shall cease to be an alternate director if his appointor ceases to be a director.

20. **Powers of an alternate director**

If his appointor is for the time being unavailable or temporarily unable to act through ill health or disability, the signature of an alternate director to any resolution in writing of the directors shall be as effective as the signature of his appointor.

21. **Alternate acting for more than one director**

When an alternate director is also a director or acts as an alternate director for more than one director, such alternate director shall have one vote for every director so represented by him (in addition to his own vote if he is himself a director) and when so acting shall be considered as two directors for the purpose of making a quorum if the quorum exceeds two.

DELEGATION OF POWERS

22. **Committees**

The following sentences shall be inserted in place of the first sentence of regulation 72 of Table A:

"The directors may delegate any of their powers to any Committee consisting of one or more persons. Any Committee shall have the power unless the directors direct otherwise to co-opt as a member or as members of the Committee for any specific purpose any person or persons not being a director or directors of the Company".

APPOINTMENT AND RETIREMENT OF DIRECTORS

23. **No retirement by rotation**

The directors shall not be subject to retirement by rotation and accordingly the final two sentences of regulation 79 of Table A shall not apply to the Company.

24. **Casual vacancy**

The Company may by ordinary resolution appoint a person who is willing to act as a director either to fill a vacancy or as an additional director.

25. **Majority shareholders' right to appoint and remove directors**

Any member or members holding a majority in nominal amount of the issued ordinary share capital which confers the right to attend and vote at general meetings may at any time appoint any person to be a director, whether as an additional director or to fill a

vacancy, and may remove from office any director howsoever appointed. any such appointment or removal shall be effected by notice in writing to the Company signed by the member or members making the same or in the case of a corporate member signed by any director thereof or by any person so authorised by resolution of the directors or of any other governing body thereof. Any such appointment or removal shall take effect when the notice effecting the same is delivered to the registered office or to the secretary of the Company, or is produced at a meeting of the directors. Any such removal shall be without prejudice to any claim which a director may have under any contract between him and the Company.

26. Death of a sole member

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 and such appointment shall be as effective as if made by the Company in general meeting pursuant to article 24 of these Articles.

27. No age limit for directors

There shall be no age limit for directors of the Company.

28. No directors' shareholding requirement

A director shall not be required to hold any qualification shares in the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

29. Disqualification

Regulation 81 of Table A shall be amended by substituting for paragraphs (c) and (e) thereof the following provisions:

"(c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a director; or"

"(e) he is otherwise duly removed from office."

REMUNERATION OF DIRECTORS

30. Ordinary remuneration and extra remuneration

Regulation 82 of Table A shall be amended by the addition of the following:

"Such remuneration shall be divided between the directors in such proportion and manner as the directors may unanimously determine or in default of such determination equally, except that any director holding office for less than a year or other period for which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Any director who, at the request of the directors, performs special services or goes or resides abroad for any purpose of the Company may receive such extra remuneration by way of salary, commission or participation in profits, or partly in one way and partly in another, as the directors may determine."

PROCEEDINGS OF DIRECTORS

31. Notice to directors outside the United Kingdom

Regulation 88 of Table A shall be amended by substituting for the sentence:

"It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom."

the following sentence:

"Notice of every meeting of directors shall be given to each director or his alternate director, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company their address outside the United Kingdom".

The final sentence of regulation 66 shall accordingly not apply to the Company.

32. Directors as corporations

Where a director is a corporation, a director, the secretary or other officer thereof shall be deemed to be a duly authorised representative of that corporation for the purposes of signing any written resolution of directors of the Company.

33. Sole director

If and so long as the minimum number of directors specified under these Articles is one, a sole director may exercise all the powers conferred on the directors by these Articles, and shall do so by written resolution under his hand, so long as there is such sole director, regulations 88 to 90 of Table A shall not apply to the Company and article 31 shall have no effect.

34. **Resolution in writing**

A resolution in writing such as is referred to in regulation 93 signed by any relevant director, alternate director or member of a Committee may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the directors may from time to time resolve.

35. **Participation at meetings by telephone**

Directors (or their alternates) or other persons participating in the manner described in this article shall be deemed to be present in person and to be holding a meeting.

Any director (including an alternate director) or other person may participate in a meeting of the directors or a Committee of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. Resolutions and decisions of the kind normally made or taken at a physical meeting of the directors or a Committee in accordance with these Articles can accordingly be so made or taken in circumstances where none or only some of the directors or other persons are physically present with each other.

36. **Directors' interests**

Subject to such disclosure as is required by section 317 of the Act a director shall be counted for the purposes of calculating whether there is a quorum and shall be entitled to vote at a meeting of directors or of a Committee on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company.

THE SEAL

37. **Sealing**

If the Company has a seal it shall only be used with the authority of the directors or of a Committee. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.

The directors or a Committee authorised to do so by the directors may by telephone or telex communication or by facsimile reproduction authorise the secretary or any director to use the seal and the transmission of such authority shall constitute a

- relief is granted to him by the Court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

42. **Directors' power to purchase indemnity insurance**

The directors shall have power to purchase and maintain for any director, secretary, auditor or other officer of the Company insurance against any such liability as is referred to in section 310(1) of the Act.