

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

TRANSFORM SCHOOLS (KNOWSLEY) LIMITED

adopted as amended by special resolution passed on 11 May 2011

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
TRANSFORM SCHOOLS (KNOWSLEY) LIMITED (the "Company")

1 Constitution and Interpretation

- 1.1 The Company is established as a private company within the meaning of section 1(3) of the Companies Act 1985 in accordance with and subject to the provisions of the Companies Act 1985 as amended (hereinafter referred to as the "**Act**") and the Memorandum of Association of the Company. The Regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 as amended (hereinafter referred to as "**Table A**") shall apply to the Company so far as the same are not excluded or varied hereby or inconsistent herewith.
- 1.2 Regulations 2, 5, 24, 41, 64, 73 to 77 (inclusive), 80, 82, 87, 94 to 97 (inclusive) and 118 of Table A shall not apply to the Company and the following Regulations of Table A shall be modified:
- a) Regulation 3 so that the words "provided by the articles" shall be deleted and there shall be inserted in lieu thereof the words "specified in the articles or as the Company before the allotment of the shares may by special resolution determine".
 - b) Regulation 6 so that the words "be sealed with the seal" shall be deleted and the words ", if the Company has adopted a seal, be sealed with the seal, and in any case shall bear autographic signatures of at least two directors or one director and the secretary" shall be inserted after the words "Every certificate shall".
 - c) Regulation 8 so that the words "(not being a fully paid share)" shall be deleted and the words "and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company" shall be inserted after the words "in respect of that share".
 - d) Regulation 10 so that the words "Neither the purchaser nor, if a different person, the transferee shall be bound to see to the application of the purchase money and" shall be inserted immediately before the words "The title".

- e) Regulation 11 so that the words "thereof as determined by the directors" shall be inserted after the word "costs".
- f) Regulation 15 so that the words "in whole or in part" shall be inserted after the words "remains unpaid".
- g) Regulation 18 so that there shall be added to the end of the first sentence thereof the words "and all expenses that may have been incurred by the Company by reason of such non-payment".
- h) Regulation 38 so that the words "or a resolution appointing a person as a director" shall be deleted.
- i) Regulation 59 so that the second sentence thereof shall be deleted.
- j) Regulation 66 so that there shall be added to the end of the first sentence thereof the words "except 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".
- k) Regulation 78 so that the words "Subject as aforesaid" and the words from and including the word "and" to the end of the Regulation shall be deleted.
- l) Regulation 79 so that the second and third sentences thereof shall be deleted.
- m) Regulation 81 so that the figures "1960" shall be deleted and the figures "1984" inserted in lieu thereof.
- n) Regulation 84 so that the last sentence thereof shall be deleted.

- 2 In these Articles the following expressions shall have the meanings set opposite them:

"**holding company**" and "**subsidiary**" shall have the meanings respectively attributed to them by the Act;

"**Auditors**" shall mean the auditors for the time being of the Company.

3 **Share Capital**

The authorised share capital of the Company is £100,000 divided into 100,000 shares of £1 each.

4 **Variation of Rights**

- 4.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may not be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, without the consent in writing of the holders of three-fourths of the issued shares of that class, or without the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate meeting all the provisions

of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class unless all the shares of any class are registered in the name of a single corporate shareholder in which case the quorum shall be one person being the duly authorised representative or proxy of such shareholder (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

- 4.2 If any class of shares shall be issued with any preferential right to dividend or return of capital, the creation or issue of other shares ranking *pari passu* with that class as regards either dividend or return of capital shall (unless otherwise expressly provided by the terms of issue of the said class) be deemed a variation of the rights of the holders of that class of shares.

5 Directors' Powers

Subject to the provisions of these Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) provided that the aggregate of the nominal amount of such securities, where they are shares, and, where such securities are not shares, the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert shall not exceed the amount of the Company's authorised share capital from time to time; and

This authority shall expire on the date five years from the date of incorporation of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The authority hereby given may at any time (subject to the said section 80) be reviewed, revoked or varied by ordinary resolution of the Company in general meeting.

- 6 The powers invested in the Directors to allot equity securities (within the meaning of section 94(2) of the Act) shall be exercisable as if sections 89(1) and 90(1) to (6) inclusive of the Act did not apply to the allotment.
- 7 All shares 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 therefor than the terms on which they were offered to the members. The foregoing provisions of this Article shall have effect subject to section 80 of the Act.

8 Transfer And Transmission Of Shares

The Directors shall register a transfer of shares which is presented for registration duly stamped.

Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of shares where such transfer is executed by or in favour of any bank or institution to whom such shares have been charged or mortgaged (or by or in favour of any nominee of such bank or institution) nor may the Directors suspend registration of any Member which is a bank or institution (or nominee thereof) or any other person to whom such shares have been transferred, charged or mortgaged.

- 9 A transferor shall be deemed to remain the holder of any share transferred by any instrument of transfer until the name of the transferee is entered in the Register of Members in respect thereof.

10 General Meetings

A notice convening a general meeting shall be required to specify the general nature only of the business to be transacted in the case of special business, and Regulation 38 of Table A shall be modified accordingly. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

- 11 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.

- 12 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 therefor such adjourned general meeting shall be dissolved.

13 Directors

The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. When only one person holds office as a Director, he 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 Regulations 89 and 90 of Table A shall be modified accordingly.

14 Borrowing Powers Of Directors

The Directors may exercise all the powers of the Company to borrow and raise money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or security over its undertaking, property, and uncalled capital, or any part thereof, and, subject (in the case of any security convertible into shares or other relevant securities) to section 80 of the Act, 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.

15 Alternate Directors

A Director, or any such other person as is mentioned in Regulation 65 of Table A, may act as alternate director to 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 be counted as only one for the purpose of determining whether a quorum is present.

16 Disqualification Of Directors

The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs. For the avoidance of doubt, this Article is additional to Regulation 81 of Table A.

17 Remuneration Of Directors

The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree or, failing agreement, equally except that (unless such Ordinary Resolution otherwise provides) any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for such proportion of remuneration as relates to the period during which he has held office. In the event of any Director necessarily performing or rendering any special duties or services to the Company outside his ordinary duties as a Director the Directors may, if so authorised by an Ordinary Resolution of the Company, pay such Director special remuneration and such special remuneration may be by way of salary, commission, participation in profits or otherwise as may be arranged.

18 Pensions, Share Schemes And Gratuities

The Directors on behalf of the Company and without the approval of any resolution of the Company may establish, maintain, participate in and contribute to, or procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including Directors, former Directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or other subsidiary of a holding company of the Company or otherwise associated with the Company or any such other company or of the predecessors in business of the Company or of any such other company as aforesaid, and/or for the benefit of the relations, spouses, surviving spouses, wives, widows, families, connections or dependants of any such persons

and/or for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and their relations, connections or dependants, and the Directors on behalf of the Company and without the approval of any resolution of the Company may grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments or benefits of any kind to any such persons as aforesaid; and the Directors on behalf of the Company and without the approval of any resolution of the Company may establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds, trusts and schemes calculated or considered to be for the benefit of any such persons as aforesaid or otherwise for the advancement of the interests and well-being of the Company or of any such other company as aforesaid or its members; and the Directors on behalf of the Company and without the approval of any resolution of the Company may make payments for or towards the insurance of any such persons as aforesaid. Any such Director or ex-Director may participate in and retain for his own benefit any such donation, gratuity, pension, allowance, payment or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a Director of the Company.

- 19 Subject to the provisions of sections 151 to 158 of the Act the Directors on behalf of the Company and without the approval of any resolution of the Company may establish and contribute to any employees' share scheme (within the meaning of section 743 of the Act) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and may lend money to the Company's employees to enable them to purchase or subscribe for shares of the Company or of a holding company of the Company; and may establish and maintain any option or incentive scheme whereby selected employees (including salaried Directors and officers) of the Company are given the opportunity of acquiring shares in the capital of the Company; and may formulate and carry into effect any scheme for sharing the profits of the Company with its employees (including salaried Directors and officers) or any of them. Any Director may participate in and retain for his own benefit any such shares, profit or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a Director of the Company.

20 **Proceedings Of Directors**

A Director, who has complied with the duty of disclosure contained in Regulation 85 of Table A and required by the Act, 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, relates to or touches upon 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 in the same) be taken into account in calculating the quorum present at the meeting.

- 21 Without prejudice to the foregoing, all or any of the Directors or of the members of any committee of the Directors may participate in a meeting of the Directors or of that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is then present.

21A Directors Power to Authorise Conflict Situations

For the purposes of section 175 of the Companies Act 2006 ("**CA 2006**"), the Directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (a "**Conflict Authorisation**"), any matter proposed to them in accordance with these Articles which would, or might, if not so authorised, constitute or give rise to a situation in which a Director (a "**Relevant Director**") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (a "**Conflict Situation**"). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised. A Relevant Director shall not count in the quorum or be permitted to vote on any resolution of the board of directors concerning the grant, alternation or revocation of a Conflict Authorisation and voting arrangements shall be varied to exclude the participation of such Relevant Director.

21B Where directors give a Conflict Authorisation:

- a) the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded);
- b) the directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation; and
- c) the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject.

21C Subject to this Article 21C but without prejudice to Article 21A and Article 21B, authorisation is given by the members of the Company for the time being on the terms of these Articles to each Director in respect of any Conflict Situation that exists or that subsequently arises because (in either case): the Director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by the Company and/or any other member (if any) of the Relevant Group ("Group Conflict Authorisation**"). The Conflict Authorisation Terms applicable to the Group Conflict Authorisation ("**Group Conflict Authorisation Terms**") are automatically set by this Article 21C so that the Director concerned:**

- a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a Director of the Company or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a Director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party; and
- b) may (but shall be under no obligation to):
 - i) absent himself from the discussions of, and/or the making of decisions; and

- ii) make arrangements not to receive documents and information,
relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the Director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 CA 2006.

21D A Group Conflict Authorisation given or deemed given under Article 21C may be revoked, varied or reduced in its scope or effect by special resolution.

21E In these Articles "**Relevant Group**" comprises:

- a) the Company;
- b) any body corporate which is for the time being a wholly owned subsidiary of the Company;
- c) any body corporate of which the Company is for the time being a wholly owned subsidiary (a "**Parent**");
- d) any body corporate (not falling within any preceding paragraph of this definition) which is for the time being a wholly owned subsidiary of the Parent;
and
- e) any body corporate which is for the time being a member of the Company.

22 **Indemnity**

Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, 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, in which judgement is given in his favour or in which he is acquitted 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 or discharge 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.

Names and Addresses of Subscribers

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