

SCOTTISH AGRICULTURAL AND RURAL DEVELOPMENT CENTRE LIMITED

(No. 133795)


WRITTEN RESOLUTION

(pursuant to Section 381A of the
Companies Act 1985)

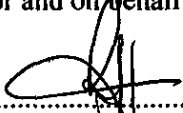
WE, the undersigned, being all the members of the above-named company who would be entitled to attend and vote at a general meeting of the said company, hereby RESOLVE pursuant to Section 381A of the Companies Act 1985 as follows:-

SPECIAL RESOLUTION

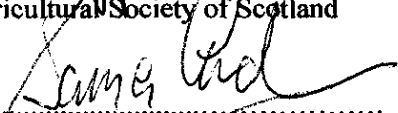
THAT the existing Articles of Association be and are hereby deleted in their entirety and that new Articles of Association as attached to this Written Resolution and which for the purposes of identification are initialled by the members of the Company as listed below, be and are hereby adopted in their place.


.....
For and on behalf of NFU Scotland

Date: 18/03/04


.....
For and on behalf of The Royal Highland and
Agricultural Society of Scotland

Date: 18/03/04


.....
For and on behalf of The Scottish Agricultural
Organisation Society Limited

Date: 18/03/04



THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

Of

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

(adopted by Special Resolution passed on 18 March 2004)

PRELIMINARY

1 In these Articles:-

"the Act" means the Companies Act 1985 as amended by the Companies Act 1989 including any statutory modification or re-enactment thereof for the time being in force.

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

- 2 Regulations 17, 30, 39, 40, 42, 43, 50, 54, 60, 61, 64, 72-80 inclusive, 82, 84-89 inclusive, 101 and 118 of Table A shall not apply to the Company. The Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

SHARES

- 3 The nominal share capital of the Company at the date of the adoption of these Articles is £500,000 divided into 214,286 "A" Ordinary Shares of £1 each (in these Articles referred to as "A" Shares) and 214,286 "B" Ordinary Shares of £1 each (in these Articles referred to as "B" Shares) and 71,428 "C" Ordinary Shares of £1 each (in these Articles referred to as "C" Shares).
- 4 The "A" Shares, the "B" Shares and the "C" Shares shall be separate classes of share but save as hereinafter otherwise provided shall carry the same rights and privileges and shall rank *pari passu* in all respects.
- 5 (A) The authorised and issued share capital of the Company shall consist only of "A" Shares, "B" Shares and "C" Shares in the proportions set out in Article 3.
- (B) Unless otherwise agreed in writing by all the members for the time being of the Company, unissued Shares in the capital of the Company for the time

being shall only be allotted and issued as follows and Regulations 2 to 4 of Table A shall be modified accordingly:-

- (i) in such manner as to establish or maintain the proportions specified in paragraph (A) hereof;
 - (ii) on the occasion of each allotment the "A" Shares, "B" Shares and "C" Shares shall be allotted at the same price (not being at a discount) and on the same terms as to date for payment, ranking for dividend and otherwise howsoever in accordance with these Articles;
 - (iii) no Shares of any class shall be issued otherwise than to members holding Shares of the same class without the prior written consent of all of the members;
 - (iv) as between holders of Shares of the same class the Shares of the class being allotted shall be allotted in proportion to such holders' then existing holdings of Shares of that class or in such other proportions between them as all the members holding Shares of the same class shall agree in writing.
- (C) Save as provided in paragraph (B) of this Article, the Directors shall have no power to issue unissued Shares and shall not allot, grant options or subscription or conversion rights over or otherwise deal with or dispose of the same.
- (D) 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 any allotment.

TRANSFER OF SHARES

- 6 Except for transfers pursuant to the provisions of Article 7 the Directors shall decline to register a transfer of any share, whether or not it is a fully paid share and Regulation 24 of Table A shall be modified accordingly.
- 7 (A) A member may (subject as hereinafter provided) at any time transfer all but not some only of its shares to any body corporate or person where such transfer is made in accordance with the provisions of the Agreement (as may be amended in writing from time to time) between The Royal Highland and Agricultural Society of Scotland, The National Farmers' Union of Scotland, now registered and trading as NFU Scotland, and The Scottish Agricultural Organisation Society Limited dated 11th February 1992 or such transfer is made with the prior consent in writing (delivered to the Company) of all the other members of the Company;
- (B) Such member shall when applying for such prior consent produce accounts showing to the said other members of the Company that the proposed transferee is at the date of such application of at least equivalent financial standing as the applying member but declaring for the avoidance of doubt that the receipt of such information shall not obliged the said other members to give their consent to the proposed transfer.

LIEN AND FORFEITURE

- 8 (A) The lien conferred by regulation 8 of Table A shall apply to all Shares of the Company, whether fully paid or not, and to all Shares registered in the name of any person indebted or under liability to the Company, whether he be the sole registered holder thereof or one of several joint holders. Regulation 8 of Table A shall be modified accordingly.
- (B) Subject to Article 24 of these Articles all Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered *mutatis mutandis* to members in accordance with Article 5 of these Articles as if they were unissued Shares of the Company. Regulations 9 and 20 of Table A shall be modified accordingly.

PROCEEDINGS AT GENERAL MEETINGS

- 9 (A) No business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Subject to Article 24 of these Articles three members present in person or by proxy, including one person being or representing a holder of any of the "A" Shares, one person being or representing a holder of any of the "B" Shares, and one person being or representing a holder of any of the "C" Shares shall be a quorum for all purposes. For the purposes of these Articles of Association a corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 375 of the Act.
- (B) If at any adjourned meeting such a quorum is not present within ten minutes from the time appointed for the adjourned meeting (or such longer interval as the chairman of the meeting may think fit to allow), the meeting shall be dissolved. Regulation 41 of Table A shall be modified accordingly.
- (C) A poll may be demanded at any General Meeting by the chairman of the meeting or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be modified accordingly.
- (D) Subject to Article 24 of these Articles on a show of hands every member present in person or by proxy shall have one vote and on a poll every member so present shall have one vote for every "A" Share and one vote for every "B" Share and one vote for every "C" Share of which he is the holder: Provided that (i) the holders of "B" and "C" Shares shall not be entitled to vote on a resolution for the appointment or removal from office of any "A" director (as defined in Article 11), the holders of "A" and "C" Shares shall not be entitled to vote on a resolution for the appointment or removal from office of any "B" Director (as defined in Article 11) and the holders of "A" and "B" Shares shall not be entitled to vote on a resolution for the appointment or removal from office of the "C" Director (as defined in Article 11); and (ii) if at any meeting any holder of Shares is not present in person or by proxy the votes exercisable on a poll in respect of the Shares of the same class held by members present in person or by proxy shall be increased *pro rata* so that such Shares shall together entitle such members to the same aggregate number of votes as could be cast in respect of all the Shares of that class if all the holders thereof were present.
- (E) An instrument appointing a proxy may be in any usual or common form or in any other form which the Directors may approve.

- (F) The chairman at any General Meeting shall not be entitled to a second or casting vote.
- 10 The omission to give notice of a meeting to any member entitled to receive notice of and attend and vote at General Meetings shall invalidate the proceedings at that meeting.

APPOINTMENT OF DIRECTORS

- 11 (A) The number of Directors (other than alternate Directors) shall not be subject to any maximum but shall, unless a Y Director is appointed under the terms of Article 11(E), be an odd number of whom one shall be appointed by the holders of the majority in nominal value of the "C" Shares and half the remaining Directors shall be appointed by the holders of the majority in nominal value of the "A" Shares and the remaining number of Directors shall be appointed by the holders of the majority in nominal value of the "B" Shares.
- (B) The holders of the "A" Shares may at any time and from time to time by a memorandum signed by the holders of a majority in nominal value of the "A" Shares appoint any person to be an "A" Director (but so that the number of "A" Directors for the time being shall not be less than one nor more than one half of the total of the "A" Directors and the "B" Directors so appointed) and may in like manner remove any "A" Director appointed by the holders of the "A" Shares and appoint another in his place and may similarly fill any other vacancy in the "A" Directors to be appointed by the holders of the "A" Shares. Any such appointment or removal under Article 11(A) or (B) shall take effect at and from the time when the memorandum is lodged at the registered office of the company or produced to a meeting of the Directors.
- (C) The rights conferred by the preceding paragraph on the holders of the "A" Shares shall *mutatis mutandis* apply in respect of the holders of the "B" Shares in relation to the "B" Director or Directors appointed by the holders of the "B" Shares and in respect of the holders of the "C" Shares in relation to the "C" Director appointed by the holders of the "C" Shares (subject in this last case to the limitation that there shall never be more than one "C" Director).
- (D) Any memorandum of appointment or removal of a Director which is required to be signed by a corporate shareholder may be signed on its behalf by any two of its Directors or by any one of its Directors and its secretary.
- (E) If so agreed by the Shareholders there shall be appointed an additional Director (the "Y" Director). The "Y" Director may be removed forthwith by a written resolution signed by every other Director being lodged at the registered office of the Company or produced to a meeting of the Directors.
- 12 A Director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any General Meeting.

BORROWING POWERS

- 13 The Directors may exercise all the powers of the Company to borrow or raise money or to guarantee and to mortgage or charge its undertaking, property, assets and rights and uncalled capital or any part thereof and, subject to the provisions of the Act, to

create and issue debentures, debenture stock, mortgages, charges and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

- 14 Subject to the provisions of the Act and provided he has disclosed to the Directors the nature and extent of any material interest, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place or profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor.

Notwithstanding his interest a Director may, subject to Article 24 of these Articles, vote on any matter in which he is interested and be included for the purpose of calculating the quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him therefrom. Regulation 94 of Table A shall be modified accordingly.

DISQUALIFICATION ETC OF DIRECTORS

- 15 (A) In addition to the provisions of Regulation 81 of Table A the office of a Director shall be vacated if he is removed from office under Articles 11(B) or 11(C) of these Articles.
- (B) The "A" Directors, the "B" Directors, the "C" Director and the "Y" Director shall not be subject to retirement by rotation and no Director shall be appointed otherwise than as herein provided.

ALTERNATE DIRECTORS

- 16 (A) Any appointment or removal of an alternate Director made under Table A shall be by notice delivered to the registered office of the Company.
- (B) The words "approved by resolution of the Directors and" shall be deleted from Regulation 65 of Table A.
- (C) If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of signing instruments to which the seal is affixed.
- (D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only 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.

PROCEEDINGS OF DIRECTORS

- 17 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. Subject to Article 24 of these Articles, the quorum throughout a meeting shall be two Directors (of whom one at least shall be an "A" Director and one at least a "B" Director). In the event that a meeting of the Directors is not quorate within thirty minutes of the time appointed for the meeting the meeting shall be adjourned for a period of at least seven days.
- 18 The Directors may from time to time by Agreement appoint committees consisting of not less than one or more "A" Directors and one or more "B" Directors and may delegate any of their powers to any such committee and from time to time revoke any such delegation and discharge and any such committee wholly or in part. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors but may meet and adjourn as it thinks proper provided that the quorum for a meeting of any committee shall throughout a meeting be as stated in Article 17 of these Articles.
- 19 The Chairman at all meetings of the Directors and committees of the Directors shall be a Director appointed by the Directors of the Company. The Chairman shall not have a further or casting vote.
- 20 All business arising at any meeting of the Directors or any committee of the Directors shall be determined only by resolution. The "A" Directors shall have two votes in aggregate, the "B" Directors shall have two votes in aggregate, the "C" Director shall have one vote, and the "Y" Director (if any) shall have one vote. No resolution shall be validly passed unless approved by a majority of votes.
- 21 Subject to Article 24 of these Articles, a resolution in writing, signed by an "A" Director and a "B" Director (which signatures may be on one or more documents in like form) shall be as valid and effective as if it had been passed at a meeting of the Directors duly convened and held.
- 22 Any and all Directors may participate in a meeting of the Directors or a committee of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting in this manner shall be deemed to be presented in person at such meetings.
- 23 The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies.

INSOLVENT MEMBERS

- 24 If a member shall go into liquidation whether voluntary or compulsory or is dissolved (except voluntary liquidation or dissolution for the purposes of reconstruction of which adequate particulars have previously been given to the other members in writing) or becomes insolvent or if a receiver or administrator or any of its assets or undertaking is appointed, any other member may serve notice thereof (an "Insolvency Notice") on such member at any time thereafter. An Insolvency Notice shall be invalid if the result of its valid service would be the service of valid Insolvency Notices upon all members of the Company. Upon service of a valid Insolvency Notice upon a member and until such time as the members may resolve to the contrary, such member shall have no voting rights in respect of its shares and the restrictions contained in Article 8(B) of these Articles upon the sale of such Shares

pursuant to the enforcement of the Company's lien or rights of forfeiture in respect thereof shall not apply thereto. In the event that Insolvency Notices have been served on all members holding "A" Shares or all members holding "B" Shares or all members holding "C" Shares and remain in effect the "A" Directors or the "B" Directors or the "C" Director, as the case may be, shall have no voting rights during such period, the quorum of all meetings of the Company shall be two members entitled to vote thereat, the quorum of all meetings of the Directors or committees thereof shall (if the Insolvency Notices were served on the members holding either the "A" Shares or the "B" Shares) be one "A" Director or one "B" Director (as the case may be) entitled to vote thereat and all resolutions (whether written or otherwise) of the Company, the Directors or committees thereof shall be valid notwithstanding that a member holding "A" Shares or "B" Shares or "C" Shares or an "A" Director or "B" Director has not voted in respect thereof.

CAPITALISATION OF PROFITS AND RESERVE

- 25 On any occasion when shares are allotted and issued credited as fully paid in accordance with regulation 110 of Table A the shares allotted to holders of "A" Shares shall forthwith on allotment automatically stand converted into "A" Shares and the Shares allotted to holders of "B" Shares shall forthwith on allotment automatically stand converted into "B" Shares and the Shares allotted to holders of "C" Shares shall forthwith on allotment automatically stand converted into "C" Shares. Regulation 110 shall be modified accordingly.

NOTICES

- 26 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings in addition to the persons specified in Regulation 38 of Table A.
- 27 In addition to the provisions of Table A any notices or written resolutions may be given or passed as the case may be if transmitted by telex or facsimile transmission followed by delivery or sending by post within 48 hours of such transmission.

USE AND CUSTODY OF THE SEAL

- 28 The Directors shall provide for the safe custody of the Seal, which shall only be used upon the authority of a prior resolution of the Directors or of a committee of the Directors authorised by the Directors on their behalf and every instrument to which the Seal shall be so affixed shall be signed as determined by resolution of the Directors or any duly authorised committee thereof authorising the use of the Seal. Where the Seal has been affixed to an instrument which has been signed by any Director such instrument shall be conclusively deemed to have been executed in accordance with the requirements of these regulations and to have taken effect accordingly.

INDEMNITY

- 29 Subject to the provisions of and so far as may be permitted by the Act, every Director or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the

proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court and, subject to and so far as aforesaid, 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 of the duties of his office or in relation thereto.