

## WRITTEN RESOLUTIONS AND CLASS CONSENTS OF A SHAREHOLDERS

Company No: SC143746

Company No: SC143746

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

SCOTTISH RESOURCES GROUP LIMITED (the "Company")

and

WRITTEN CONSENTS

of the

HOLDERS OF A ORDINARY SHARES

Passed on 6 July 2010

The following Written Resolutions and Class Consents were duly passed by holders of A Ordinary Shares pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "2006 Act"), Resolutions 1(a) to 3, 7 to 14, 16, 18, 20 and 21 being passed as special resolutions and Resolutions 4, 5, 6, 15, 17 and 19 being passed as ordinary resolutions.

### RESOLUTIONS AND CLASS CONSENTS

***Resolution 1(a) – Ratification of adoption of the 2000 Articles and associated abrogation and extinguishing of dividend rights***

***As a special resolution***

1. (a) THAT the holders of A ordinary shares of £0.50 each ("A Ordinary Shares") in the capital of the Company and the holders of B ordinary shares of £0.50 each ("B Ordinary Shares") in the capital of the Company hereby consent to, ratify and approve the adoption of the articles of association (the "2000 Articles") at an extraordinary general meeting of the Company on 3 May 2000 (the "2000 EGM") and each and every variation, abrogation or extinguishing of the rights (including, without limitation, any rights to accrued dividends or other distributions) attached to the A Ordinary Shares and B Ordinary Shares which resulted from or was effected by the special resolution passed by the members of the Company at the 2000 EGM purporting to adopt the 2000 Articles and hereby give full validity and effect to such resolution.

***Resolution 1(b) – Ratification of adoption of the 2000 Articles and associated abrogation and extinguishing of dividend rights***

***Class consent of the holders of A Ordinary Shares***

1. (b) THAT the holders of A Ordinary Shares hereby consent to, ratify and approve the adoption of the 2000 Articles at the 2000 EGM and each and every variation, abrogation or extinguishing of the rights (including, without limitation, any rights to accrued dividends or other distributions) attached to the A Ordinary Shares which resulted from or was effected by the special resolution passed by the members of the Company at the 2000 EGM purporting to adopt such articles of association and hereby give full validity and effect to such resolution.

***Resolution 1(c) – Class consent of the holders of A Ordinary Shares in their capacity as holders of A Ordinary Shares and Special Deferred Shares***

1. (c) THAT the holders of the A Ordinary Shares sanction each and every variation or abrogation of the

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rights attached to the A Ordinary Shares and the Special Deferred Shares which may be allotted and issued to them pursuant to Resolution 5 below (in their capacity as a holder of A Ordinary Shares in relation to their A Ordinary Shares and in their capacity as a holder of Special Deferred Shares in relation to the Special Deferred Shares which may be issued to them subject to the passing of Resolution 5 below) which may result from or be involved in or effected by or pursuant to the approval of Resolution 5 below) which may result from or be involved in or effected by or pursuant to the approval of:

- (i) the offer to qualifying holders of ordinary shares of 10 pence each in the capital of the Company (the "**Ordinary Shares**") (resulting from the proposed reorganisation of the Company's share capital to be implemented by the Company in order to prepare for the proposed initial public offering of the entire issued, and to be issued, share capital of the Company on the main market of the London Stock Exchange plc, as effected by the following Resolutions (the "**IPO**") (the "**Share Capital Reorganisation**") of the right, subject to and conditional upon admission of the issued, and to be issued, ordinary share capital of the Company (arising upon completion of the Share Capital Reorganisation) to the Official List and to trading on the London Stock Exchange plc's main market for listed securities becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards ("**Admission**") to elect to receive Ordinary Shares, credited as fully paid up at the placing price to be determined in connection with the IPO, instead of all of the interim dividend announced in a letter to the shareholders dated 5 July 2010, on the terms and subject to the conditions and with the record date, set out in such letter (the "**Scrip Dividend Option**"); and
- (ii) the Resolutions to be passed in connection with, and the various steps involved in, the Share Capital Reorganisation.

#### **Resolution 2 – Waiver of pre-emption rights**

##### **As a special resolution**

2. THAT the holders of A Ordinary Shares and the holders of B Ordinary Shares hereby waive all pre-emption rights conferred on them by the articles of association of the Company (the "**Articles**") or otherwise arising in connection with the matters to be effected pursuant to (i) the Scrip Dividend Option and the satisfaction of elections for Ordinary Shares made thereunder; and (ii) the Share Capital Reorganisation.

#### **Resolution 3 – Amendment to Articles of Association**

##### **As a special resolution**

3. THAT the Company's Articles be and are hereby amended:
  - 3.1 by revoking the provision of the Company's Memorandum of Association as to the amount of the Company's authorised share capital (as altered by anything done by virtue of section 121 of the Companies Act 1985), which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles, setting a maximum amount of shares that may be allotted by the Company with the intent and effect that such provision is deleted from the Articles;
  - 3.2 by deleting current Article 3.1 from the Articles and replacing it with the following new Article 3.1:

"No shares in the capital of the Company shall be allotted to any person unless the holders of "A" Shares and "B" Shares, by members' resolution (whether in a general meeting of the Company or by written resolution) specifically authorise the Directors of the Company to make such allotments";
  - 3.3 by deleting from Article 3.3 the words "which are comprised in the authorised share capital of the Company from time to time"; and

3.4 by the insertion of the following new article 25:

"25.1 With the sanction of an ordinary resolution of the Company, the Directors may offer holders of "A" or "B" Shares the right to elect to receive additional "A" or "B" Shares (as the case may be) ("**new shares**") which are fully paid up, instead of all or part of a (as the case may be) ("**new shares**") which are fully paid up, instead of all or part of a cash dividend.

25.2 The ordinary resolution may specify:

25.2.1 the terms and conditions on which the offer is made;

25.2.2 the method by which the shareholders elect to receive the new shares; and

25.2.3 that the right to elect to receive the new shares is in respect of a particular dividend and/or the whole or part of all or any dividends declared or paid in a specified period.

25.3 The Directors must provide the holders of "A" and "B" Shares with a form of election approved by the Directors and notify them in writing:

25.3.1 of their right to elect to receive the new ordinary shares;

25.3.2 of the procedure to be followed in order to exercise the right; and

25.3.3 of the place at which and the latest date and time by which completed forms of election have to be lodged in order to be effective.

25.4 The holders of "A" and "B" Shares who elect to receive the new shares will be entitled to such whole number of new shares as is, as nearly as possible, equal in value to the amount of the cash dividend they would otherwise have received. The value of each new ordinary share will be calculated on the basis of its market value, as determined by the Directors, acting reasonably in the relevant circumstances.

Following an election in accordance with this Article 25, the dividend, or part of a dividend, will not be payable on the "A" and/or "B" Shares for which the holder has elected to receive new shares. Instead, the Directors may capitalise a sum equal to the aggregate nominal value of the new shares to be allotted. The sum to be capitalised can be taken from the Company's undivided profits not required for paying preferential dividends (whether or not they are available for distribution) or from any sum in the Company's share premium account or capital reserves (including capital redemption reserves). The capitalised sum shall be used to pay up the new shares in full and the new shares will then be allotted and distributed to the holders on the basis set out in this Article 25.4. The provisions of this Article 25 will be subject to any right the Directors may have under these Articles to retain any dividends or any other moneys payable on or in respect of any particular share or shares.

25.5 The Directors' right to capitalise under Article 25.4 applies notwithstanding any other rights to capitalise any sums given to them by these Articles.

25.6 The Directors may at their discretion make any rights of election offered pursuant to this Article subject to such exclusions or arrangements as they may consider necessary or expedient to deal with any legal or other difficulties which would or may otherwise arise under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

25.7 The new shares will, at the time they are issued, rank equally in all respects with the existing issued fully paid "A" Shares and "B" Shares (as the case may be) except that they will not be entitled to share in the dividend in relation to which the relevant election was made.

25.8 The Directors may provide as they think fit for any fractions of new shares, including provisions to retain and accumulate them on behalf of any holder of "A" Shares or "B" Shares and to use the retained fractions either for the allotment of fully paid shares by way of capitalisation to the holder or for a cash subscription of fully paid shares on behalf of the holder."

#### ***Resolution 4 – Approval of terms of Scrip Dividend Option***

##### ***As an ordinary resolution***

4. THAT, subject to, and conditional upon, the passing of Resolution 3 and the amendments to the Articles approved thereunder being effected, the Directors of the Company be and they are hereby authorised pursuant to Article 25 of the Articles (as inserted pursuant to Resolution 3) to offer qualifying holders of Ordinary Shares (resulting from the Share Capital Reorganisation) the right, subject to and conditional upon Admission, to elect to receive Ordinary Shares, credited as fully paid up at the placing price to be determined in connection with the IPO, instead of all of the interim dividend described in a letter to the shareholders dated 5 July 2010, on the terms and subject to the conditions (including allowing the Company to donate cash amounts in respect of fractional entitlements to Ordinary Shares resulting from elections under the Scrip Dividend Option to a charity of the Directors' choosing) and with the record date, set out in such letter.

#### ***Resolution 5 – Issue of bonus Special Deferred Shares***

##### ***As an ordinary resolution***

5. THAT, subject to, and conditional upon, Resolutions 1(a) to 4 being passed and pursuant to regulation 110 of Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") as incorporated in the Articles, upon the recommendation of the Directors and pursuant to the authorities and powers conferred by Resolution 5 below, the sum of £122,300,744.50, being the amount of unrealised profit of the Company recognised by the sale of certain subsidiary companies to SRGH Limited, be capitalised and appropriated as capital to the holders of A Ordinary Shares and B Ordinary Shares as appearing on the register of members at the close of business on 5 July 2010 and that the Directors be authorised and directed to apply such sum in paying up in full 244,601,549 special deferred shares of £0.50 each ("Special Deferred Shares") in the capital of the Company and to allot and distribute such Special Deferred Shares, credited as fully paid, to and among the holders of the A Ordinary Shares and B Ordinary Shares in proportion to their existing shareholdings, with the Special Deferred Shares having the rights and being subject to the restrictions set out below, namely:
- 5.1 the Special Deferred Shares shall not entitle the holders thereof to any return of assets (or the proceeds of sale thereof) in the event of a liquidation except for the nominal value for each Special Deferred Share held;
  - 5.2 the Special Deferred Shares shall not entitle the holders of such shares to receive any dividend or other distribution (other than pursuant to sub-paragraph 5.1 above) or to receive notice of, or to attend, speak or vote at, any general meeting of the Company;
  - 5.3 the approval of the Directors shall be required for any transfer of Special Deferred Shares;
  - 5.4 the Company shall have an irrevocable authority from each holder of the Special Deferred Shares at any time to do all or any of the following without obtaining the sanction of the holder or holders of the Special Deferred Shares:
    - 5.4.1 to appoint any person to execute on behalf of any holder of Special Deferred Shares a transfer of all or any of those shares and/or an agreement to transfer the same (without making any payment for them) to such person or persons as the Company may determine and to execute any other documents which such person may consider

necessary or desirable to effect such transfer, in each case without obtaining the sanction of the holder(s) and without any payment being made in respect of such acquisition;

5.4.2 to purchase all or any of the shares in accordance with the 2006 Act, without obtaining the consent of the holders of those shares in consideration of the payment to the holders the consent of the holders of those shares in consideration of the payment to the holders whose shares are purchased of an amount not exceeding one penny in respect of all the Special Deferred Shares then being purchased;

5.4.3 for the purposes of any such purchase, to appoint any person to execute a contract for the sale of any such shares to the Company on behalf of any holder of Special Deferred Shares;

5.4.4 to cancel all or any of the Special Deferred Shares purchased in accordance with the 2006 Act; and

5.4.5 pending any such transfer, purchase or cancellation, to retain the certificates (if any) for all or any of the Special Deferred Shares,

but so that none of the rights or restrictions attached to such Special Deferred Shares shall be or be deemed to be varied or abrogated in any way by the passing or coming into effect of any resolution of the Company to reduce its share capital and/or reduce or cancel (as the case may be) its share premium account (including a resolution to reduce the capital paid up on, and to cancel, such Special Deferred Shares).

#### ***Resolution 6 – Directors’ authority to allot***

##### ***As an ordinary resolution***

6. THAT, subject to, and conditional upon, Resolutions 1(a) to 5 being passed, the Directors of the Company be and they hereby generally and unconditionally authorised in accordance with section 551 of the 2006 Act (in substitution for and to the exclusion of any existing authority or authorities to allot shares), to exercise all of the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares of the Company up to an aggregate nominal amount of £122,300,774.50 in connection with the issue of Special Deferred Shares pursuant to Resolution 5 above, provided that such authority shall expire (unless renewed, varied or revoked by the Company) on the conclusion of the next annual general meeting of the Company after the passing of this Resolution 6, save that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry, and the Directors may allot shares and grant rights to subscribe or convert securities into shares in pursuance of such offer or agreement as if the authority conferred by this Resolution 6 had not expired.

#### ***Resolution 7 – Dis-application of statutory pre-emption rights in relation to allotments in connection with issue of Special Deferred Shares***

##### ***As a special resolution***

7. THAT, subject to, and conditional upon, Resolutions 1(a) to 6 being passed and without prejudice to any other authority conferred on the Directors pursuant to these Resolutions, the Directors be and are hereby authorised pursuant to section 571 of the 2006 Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash, pursuant to the authority granted pursuant to Resolution 3, as if section 561(1) of the 2006 Act did not apply to such allotment, provided that the authority conferred by this Resolution 7:
- 7.1 will apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before such expiry make offers or enter into agreements which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities

under any such offer or agreement as if the authority conferred by this Resolution 6 had not expired; and

- 7.2 is limited to the allotment of equity securities of up to an aggregate nominal amount of £122,300,774.50 in connection with the issue of Special Deferred Shares pursuant to Resolution 5 above.

***Resolution 8 – First reduction of capital***

***As a special resolution***

8. THAT, subject to, and conditional upon, Resolutions 1(a) to 7 being passed, the share capital of the Company be and the same is hereby reduced to £132,414,225.40 by:
- 8.1 reducing the nominal value of each of the A Ordinary Shares then in issue from £0.50 each to £0.25 each ("**Intermediate A Ordinary Shares**");
  - 8.2 reducing the nominal value of each of the B Ordinary Shares then in issue from £0.50 each to £0.25 each ("**Intermediate B Ordinary Shares**"); and
  - 8.3 cancelling and extinguishing for no consideration the amount then standing to the credit of the Company's share premium account, being an amount equal to £26,046,000.00.

***Resolution 9 – Consolidation and sub-division of Intermediate A Ordinary Shares, Intermediate B Ordinary Shares and C Ordinary Shares***

***As a special resolution***

9. THAT, subject to, and conditional upon, Resolutions 1(a) to 8 being passed:
- 9.1 every two Intermediate A Ordinary Shares then in issue in the capital of the Company be and are hereby consolidated into one consolidated A ordinary share of £0.50 each (a "**Consolidated A Share**");
  - 9.2 every two Intermediate B Ordinary Shares then in issue in the capital of the Company be and are hereby consolidated into one consolidated B ordinary share of £0.50 each (a "**Consolidated B Share**"); and
  - 9.3 every two C Ordinary Shares then in issue in the capital of the Company be and are hereby consolidated into one consolidated C ordinary share of £0.02 each (a "**Consolidated C Share**"),

provided that, where such consolidation results in a member being entitled to a fraction of a Consolidated A Share, a fraction of a Consolidated B Share or a fraction of a Consolidated C Share (as the case may be), such fraction shall be aggregated with such other fractions into Consolidated A Shares, Consolidated B Shares or Consolidated C Shares (as the case may be) (the "**Fractional Entitlement Shares**") and pursuant to Regulation 33 of Table A as incorporated in the Company's Articles, the Directors of the Company be and are hereby authorised to sell (or appoint another person to sell), on behalf of all the relevant members, all the Fractional Entitlement Shares and any remaining fraction of a Consolidated A Share, Consolidated B Share and/or a Consolidated C Share (as the case may be) resulting from the aggregation of the fractional entitlements into Consolidated A Shares, Consolidated B Shares and/or Consolidated C Shares (the "**Remaining Fraction**"), at the best price reasonably obtainable to any person (including the Company), and distribute the proceeds of sale (net of expenses) (any fraction of a penny which would otherwise be payable being rounded down to the nearest penny if less than half a penny and rounded up if more than or equal to half a penny), and that any person authorised by the Directors of the Company be and is hereby authorised to execute any instrument of transfer in respect of such shares on behalf of the relevant shareholders, provided that the Directors shall not be required to distribute the

proceeds of sale of any Fractional Entitlement Shares and any Remaining Fraction to any member where such member's entitlement would equate to £5.00 or less. All such entitlements shall instead be aggregated and donated to a charity of the Directors' choosing;

- 9.4 each of the Consolidated A Shares be and is hereby sub-divided into five A ordinary shares of
- 9.4 each of the Consolidated A Shares be and is hereby sub-divided into five A ordinary shares of £0.10 each ("New A Shares");
- 9.5 each of the Consolidated B Shares be and is hereby sub-divided into five B ordinary shares of £0.10 each ("New B Shares"); and
- 9.6 each of the Consolidated C Shares be and is hereby sub-divided into five C ordinary shares of £0.004 each ("New C Shares");

such consolidation and sub-division to take effect upon all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to effect the reduction of share capital approved pursuant to Resolution 8.

***Resolution 10 – Buy-back out of distributable reserves of Fractional Entitlement Shares arising as a result of consolidation of share capital pursuant to Resolution 9***

***As a special resolution***

- 10. THAT, subject to, and conditional upon, Resolutions 1(a) to 9 being passed and the consolidation of the Intermediate A Shares, Intermediate B Shares and Intermediate C Shares into Consolidated A Shares, Consolidated B Shares and Consolidated C Shares, respectively, being effected, the terms of an agreement proposed to be made between (1) the Company and (2) the Company (on behalf of all of the shareholders of the Company entitled to Fractional Entitlement Shares as a result of the creation of the Consolidated A Shares, Consolidated B Shares and Consolidated C Shares pursuant to Resolution 9), for the purchase by the Company of the Fractional Entitlement Shares and any Remaining Fraction ("Share Purchase Contract 1") upon the terms (including for aggregate consideration equal to the aggregate nominal value of such Fractional Entitlement Shares and any Remaining Fraction) set out in the attached copy of Share Purchase Contract 1, are approved.

***Resolution 11 – Second reduction of capital***

***As a special resolution***

- 11. THAT, subject to, and conditional upon, Resolutions 1(a) to 10 being passed, the share capital of the Company be and the same is hereby reduced to £10,113,450.91 by cancelling and extinguishing 244,601,549 Special Deferred Shares, such reduction of capital to take effect upon the New A Shares, New B Shares and New C Shares being created as a result of the consolidation and sub-division of the Intermediate A Shares, Intermediate B Shares and Intermediate C Shares pursuant to Resolution 9 and all relevant formalities having been complied with in relation thereto and the Company's register of members being updated accordingly.

***Resolution 12 – Buy-back out of distributable reserves of Deferred Shares***

***As a special resolution***

- 12. THAT, subject to, and conditional upon, Resolutions 1(a) to 11 being passed, the terms of an agreement proposed to be made between (1) the Company and (2) The Consortium Coal Company Limited, for the purchase by the Company of 100,000 deferred shares of £1.00 each in the capital of the Company ("Deferred Shares") ("Share Purchase Contract 2") upon the terms (including for an aggregate consideration of £1,000) set out in the attached copy of Share Purchase Contract 2, are approved, such buy-back to take effect upon all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to effect the reduction of share capital approved pursuant to Resolution 11.

***Resolution 13 – Buy-back out of distributable reserves of C Ordinary Shares***

***As a special resolution***

13. THAT, subject to, and conditional upon, Resolutions 1(a) to 12 being passed, the terms of an agreement proposed to be made between (1) the Company and (2) all the holders of New C Shares, for the purchase by the Company of the New C Shares ("**Share Purchase Contract 3**") upon the terms (including for an aggregate consideration of £13,450.90, representing the aggregate nominal value of the New C Shares, and completion of such contract being conditional on the Company being re-registered as a public limited company following the passing of Written Resolution 14 and all relevant formalities and filings having been made in order to effect such re-registration) set out in the attached copy of Share Purchase Contract 3, are approved.

***Resolution 14 – Re-registration as a public company***

***As a special resolution***

14. THAT, subject to, and conditional upon, Resolutions 1(a) to 13 being passed:
- 14.1 pursuant to the provisions of section 90 of the 2006 Act, the Company be and is re-registered as a public limited company; and
- 14.2 the articles of association in the form attached (the "**Interim Articles**") be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company,

such re-registration and adoption of the Interim Articles to take effect following all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to effect the buy-back and cancellation of Deferred Shares approved pursuant to Resolution 12.

***Resolution 15 – Re-designation of New A Shares and New B Shares***

***As an ordinary resolution***

15. THAT, subject to, and conditional upon, Resolutions 1(a) to 14 being passed and conditional upon, and immediately prior to, Admission occurring:
- 15.1 each New A Share in the capital of the Company then in issue be re-designated as an Ordinary Share having the rights and being subject to the restrictions set out in the New Articles (as defined in Resolution 16 below); and
- 15.2 each New B Share in the capital of the Company then in issue be re-designated as an Ordinary Share having the rights and being subject to the restrictions set out in the New Articles (as defined in Resolution 16 below),

such re-designation to take effect following all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to re-register the Company as a public limited company, to effect the buy-back and cancellation of the New C Shares approved pursuant to Resolution 13 and to adopt the New Articles (as defined in Resolution 16 below) approved pursuant to Resolution 16 below.

***Resolution 16 – Adoption of new articles of association***

***As a special resolution***

16. THAT, subject to, and conditional upon, Resolutions 1(a) to 15 being passed and following all corporate actions authorised pursuant thereto having been implemented and effected in practice, and conditional upon, and immediately prior to, Admission occurring:



- 16.1 the Company's Articles are hereby amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles; and
- 16.2 the articles of association in the form set out on the Company's website
- 16.2 the articles of association in the form set out on the Company's website ([www.scottishresources.com](http://www.scottishresources.com)), a summary of which is included in Appendix D to the letter accompanying these Resolutions (the "New Articles"), be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.

***Resolution 17 – Directors' authority to allot in connection with the Scrip Dividend Offer and the Placing***  
***As an ordinary resolution***

17. THAT, subject to, and conditional upon, Resolutions 1(a) to 16 being passed and conditional upon, and immediately prior to, Admission occurring and without prejudice to any other authority conferred on the Directors pursuant to these Resolutions, the Directors be and are hereby authorised in accordance with section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £2,600,000.00 for the purposes of satisfying elections to receive Ordinary Shares under the Scrip Dividend Option and the placing of up to 20,000,000 Ordinary Shares to institutional and other investors (the "Placing"), such authority to apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may make offers or enter into agreements before such expiry which would, or might, require shares to be allotted after such expiry and the Directors may allot shares under any such offers or agreements as if the authority conferred by this Resolution 17 had not expired.

***Resolution 18 – Dis-application of statutory pre-emption rights in relation to allotments in connection with the Scrip Dividend Offer and the Placing***

***As a special resolution***

18. THAT, subject to, and conditional upon, Resolutions 1(a) to 17 being passed and conditional upon, and immediately prior to, Admission occurring and without prejudice to any other authority conferred on the Directors pursuant to these Resolutions, the Directors be and are hereby authorised pursuant to section 571 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) of the Company for cash, pursuant to the authority granted pursuant to Resolution 17, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that the authority conferred by this Resolution 18:
- 18.1 will apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before such expiry make offers or enter into agreements which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the authority conferred by this Resolution 18 had not expired; and
- 18.2 is limited to the allotment of equity securities of up to an aggregate nominal amount of £2,600,000.00 for the purposes of the Scrip Dividend Offer and the Placing.

***Resolution 19 – Directors' general authority to allot post-Admission***

***As an ordinary resolution***

19. THAT, subject to, and conditional upon, Resolutions 1(a) to 18 being passed and conditional upon, and immediately prior to, Admission occurring and in addition to the amount set out in Resolution 17, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the 2006 Act to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

- 19.1 up to a maximum aggregate nominal amount of £8,400,000.00 (representing two thirds of the allotted and fully paid up share capital of the Company expected to be in issue immediately following Admission) (such amount to be reduced by the nominal amount of any shares allotted under sub-paragraph 19.2 below) in connection with an offer by way of rights, open offer or other pre-emptive offer;

19.1.1 to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

19.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 19.2 in any other case, up to an aggregate nominal amount of £4,200,000.00 (representing one third of the allotted and fully paid up share capital of the Company expected to be in issue immediately following Admission) (such amount to be reduced by the nominal amount of any shares allotted under sub-paragraph 19.1 above in excess of £4,200,000.00,

such authority to apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before such expiry make offers or enter into agreements which would, or might, require such shares to be allotted or such rights to be granted after such expiry and the Directors may allot such shares and/or grant such rights in pursuance of such offers or agreements as if the authority conferred by this Resolution 19 had not expired.

***Resolution 20 – Dis-application of statutory pre-emption rights in relation to allotments pursuant to Resolution 19***

***As a special resolution***

20. THAT, subject to, and conditional upon, Resolutions 1(a) to 19 being passed and conditional upon, and immediately prior to, Admission occurring, the Directors be and are hereby authorised pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash pursuant to the authority conferred on the Directors pursuant to Resolution 19 and be empowered pursuant to section 573 of the 2006 Act to sell ordinary shares (as defined in section 724 of the 2006 Act) for cash, in each case as if section 561(1) of the 2006 Act did not apply to such allotment or sale, provided that this power shall be limited to the allotment of equity securities and/or the sale of treasury shares:

- 20.1 in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of Ordinary Shares and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal and practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and

- 20.2 otherwise than pursuant to sub-paragraph 20.1, up to an aggregate nominal amount of £630,000.00 (representing approximately five per cent. of the maximum expected issued and unconditionally allotted share capital of the Company immediately following Admission),

and such power shall expire at the end of the annual general meeting of the Company in 2011, but so that the Company may before such expiry make offers or enter into agreements which would, or might, require equity securities to be allotted or treasury shares to be sold after such expiry and the

Directors may allot equity securities and/or sell treasury shares in pursuance of such offers or agreements as if the authority conferred by this Resolution 20 had not expired.

**Resolution 21 – Directors' authority to make market purchases**

**As a special resolution**

21. THAT, subject to, and conditional upon, Resolutions 1(a) to 20 being passed and conditional upon, and immediately prior to, Admission occurring, the Directors be and are hereby authorised for the purposes of section 701 of the 2006 Act to make market purchases (within the meaning of section 693(4) of the 2006 Act) of Ordinary Shares, on such terms and in such manner as the Directors may, from time to time, determine, subject to the following conditions:
- 21.1 the maximum number of Ordinary Shares authorised to be purchased may not be more than 12,600,000 (representing approximately 10 per cent. of the allotted and fully paid ordinary share capital of the Company expected to be in issue immediately following Admission);
  - 21.2 the minimum price which may be paid for an Ordinary Shares is 10 pence, being the nominal value of each Ordinary Share;
  - 21.3 the maximum price which may be paid for each Ordinary Share shall be the higher of (a) an amount equal to 105 per cent. of the average middle market quotations of an Ordinary Share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share, as derived from the London Stock Exchange Trading System;
  - 21.4 this authority shall expire at the end of the annual general meeting of the Company in 2011; and
  - 21.5 a contract to purchase shares under this authority may be made prior to the expiry of the authority and concluded in whole or in part after the expiry of this authority.



Chairman of the Company

## WRITTEN RESOLUTIONS AND CLASS CONSENTS OF B SHAREHOLDERS

Company No: SC143746

Company No: SC143746

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

SCOTTISH RESOURCES GROUP LIMITED (the "Company")

and

WRITTEN CONSENTS

of the

HOLDERS OF B ORDINARY SHARES

Passed on 6 July 2010

The following Written Resolutions and Class Consents were duly passed by holders of B Ordinary Shares pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "2006 Act"), Resolutions 1(a) to 3, 7 to 14, 16, 18, 20 and 21 being passed as special resolutions and Resolutions 4, 5, 6, 15, 17 and 19 being passed as ordinary resolutions.

### RESOLUTIONS AND CLASS CONSENTS

*Resolution 1(a) – Ratification of adoption of the 2000 Articles and associated abrogation and extinguishing of dividend rights*

*As a special resolution*

1. (a) THAT the holders of A ordinary shares of £0.50 each ("A Ordinary Shares") in the capital of the Company and the holders of B ordinary shares of £0.50 each ("B Ordinary Shares") in the capital of the Company hereby consent to, ratify and approve the adoption of the articles of association (the "2000 Articles") at an extraordinary general meeting of the Company on 3 May 2000 (the "2000 EGM") and each and every variation, abrogation or extinguishing of the rights (including, without limitation, any rights to accrued dividends or other distributions) attached to the A Ordinary Shares and B Ordinary Shares which resulted from or was effected by the special resolution passed by the members of the Company at the 2000 EGM purporting to adopt the 2000 Articles and hereby give full validity and effect to such resolution.

*Resolution 1(b) – Ratification of adoption of the 2000 Articles and associated abrogation and extinguishing of dividend rights*

*Class consent of the holders of B Ordinary Shares*

1. (b) THAT the holders of B Ordinary Shares hereby consent to, ratify and approve the adoption of the 2000 Articles at the 2000 EGM and each and every variation, abrogation or extinguishing of the rights (including, without limitation, any rights to accrued dividends or other distributions) attached to the B Ordinary Shares which resulted from or was effected by the special resolution passed by the members of the Company at the 2000 EGM purporting to adopt such articles of association and hereby give full validity and effect to such resolution.

*Resolution 1(c) – Class consent of the holders of B Ordinary Shares in their capacity as holders of B Ordinary Shares and Special Deferred Shares*

1. (c) THAT the holders of the B Ordinary Shares sanction each and every variation or abrogation of the

rights attached to the B Ordinary Shares and the Special Deferred Shares which may be allotted and issued to them pursuant to Resolution 5 below (in their capacity as a holder of B Ordinary Shares in relation to their B Ordinary Shares and in their capacity as a holder of Special Deferred Shares in relation to the Special Deferred Shares which may be issued to them subject to the passing of Resolution 5 below) which may result from or be involved in or effected by or pursuant to the approval Resolution 5 below) which may result from or be involved in or effected by or pursuant to the approval of:

- (i) the offer to qualifying holders of ordinary shares of 10 pence each in the capital of the Company (the "**Ordinary Shares**") (resulting from the proposed reorganisation of the Company's share capital to be implemented by the Company in order to prepare for the proposed initial public offering of the entire issued, and to be issued, share capital of the Company on the main market of the London Stock Exchange plc, as effected by the following Resolutions (the "**IPO**") (the "**Share Capital Reorganisation**") of the right, subject to and conditional upon admission of the issued, and to be issued, ordinary share capital of the Company (arising upon completion of the Share Capital Reorganisation) to the Official List and to trading on the London Stock Exchange plc's main market for listed securities becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards ("**Admission**") to elect to receive Ordinary Shares, credited as fully paid up at the placing price to be determined in connection with the IPO, instead of all of the interim dividend announced in a letter to the shareholders dated 5 July 2010, on the terms and subject to the conditions and with the record date, set out in such letter (the "**Scrip Dividend Option**"); and
- (ii) the Resolutions to be passed in connection with, and the various steps involved in, the Share Capital Reorganisation.

#### ***Resolution 2 – Waiver of pre-emption rights***

##### ***As a special resolution***

2. THAT the holders of A Ordinary Shares and the holders of B Ordinary Shares hereby waive all pre-emption rights conferred on them by the articles of association of the Company (the "**Articles**") or otherwise arising in connection with the matters to be effected pursuant to (i) the Scrip Dividend Option and the satisfaction of elections for Ordinary Shares made thereunder; and (ii) the Share Capital Reorganisation.

#### ***Resolution 3 – Amendment to Articles of Association***

##### ***As a special resolution***

3. THAT the Company's Articles be and are hereby amended:
  - 3.1 by revoking the provision of the Company's Memorandum of Association as to the amount of the Company's authorised share capital (as altered by anything done by virtue of section 121 of the Companies Act 1985), which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles, setting a maximum amount of shares that may be allotted by the Company with the intent and effect that such provision is deleted from the Articles;
  - 3.2 by deleting current Article 3.1 from the Articles and replacing it with the following new Article 3.1:

"No shares in the capital of the Company shall be allotted to any person unless the holders of "A" Shares and "B" Shares, by members' resolution (whether in a general meeting of the Company or by written resolution) specifically authorise the Directors of the Company to make such allotments";
  - 3.3 by deleting from Article 3.3 the words "which are comprised in the authorised share capital of the Company from time to time"; and

3.4 by the insertion of the following new article 25:

"25.1 With the sanction of an ordinary resolution of the Company, the Directors may offer holders of "A" or "B" Shares the right to elect to receive additional "A" or "B" Shares (as the case may be) ("**new shares**") which are fully paid up, instead of all or part of a cash dividend.  
cash dividend.

25.2 The ordinary resolution may specify:

25.2.1 the terms and conditions on which the offer is made;

25.2.2 the method by which the shareholders elect to receive the new shares; and

25.2.3 that the right to elect to receive the new shares is in respect of a particular dividend and/or the whole or part of all or any dividends declared or paid in a specified period.

25.3 The Directors must provide the holders of "A" and "B" Shares with a form of election approved by the Directors and notify them in writing:

25.3.1 of their right to elect to receive the new ordinary shares;

25.3.2 of the procedure to be followed in order to exercise the right; and

25.3.3 of the place at which and the latest date and time by which completed forms of election have to be lodged in order to be effective.

25.4 The holders of "A" and "B" Shares who elect to receive the new shares will be entitled to such whole number of new shares as is, as nearly as possible, equal in value to the amount of the cash dividend they would otherwise have received. The value of each new ordinary share will be calculated on the basis of its market value, as determined by the Directors, acting reasonably in the relevant circumstances.

Following an election in accordance with this Article 25, the dividend, or part of a dividend, will not be payable on the "A" and/or "B" Shares for which the holder has elected to receive new shares. Instead, the Directors may capitalise a sum equal to the aggregate nominal value of the new shares to be allotted. The sum to be capitalised can be taken from the Company's undivided profits not required for paying preferential dividends (whether or not they are available for distribution) or from any sum in the Company's share premium account or capital reserves (including capital redemption reserves). The capitalised sum shall be used to pay up the new shares in full and the new shares will then be allotted and distributed to the holders on the basis set out in this Article 25.4. The provisions of this Article 25 will be subject to any right the Directors may have under these Articles to retain any dividends or any other moneys payable on or in respect of any particular share or shares.

25.5 The Directors' right to capitalise under Article 25.4 applies notwithstanding any other rights to capitalise any sums given to them by these Articles.

25.6 The Directors may at their discretion make any rights of election offered pursuant to this Article subject to such exclusions or arrangements as they may consider necessary or expedient to deal with any legal or other difficulties which would or may otherwise arise under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

25.7 The new shares will, at the time they are issued, rank equally in all respects with the existing issued fully paid "A" Shares and "B" Shares (as the case may be) except that they will not be entitled to share in the dividend in relation to which the relevant election was made.

- 25.8 The Directors may provide as they think fit for any fractions of new shares, including provisions to retain and accumulate them on behalf of any holder of "A" Shares or "B" Shares and to use the retained fractions either for the allotment of fully paid shares by way of capitalisation to the holder or for a cash subscription of fully paid shares on behalf of the holder."
- benefit of the holder.

***Resolution 4 – Approval of terms of Scrip Dividend Option***

***As an ordinary resolution***

4. THAT, subject to, and conditional upon, the passing of Resolution 3 and the amendments to the Articles approved thereunder being effected, the Directors of the Company be and they are hereby authorised pursuant to Article 25 of the Articles (as inserted pursuant to Resolution 3) to offer qualifying holders of Ordinary Shares (resulting from the Share Capital Reorganisation) the right, subject to and conditional upon Admission, to elect to receive Ordinary Shares, credited as fully paid up at the placing price to be determined in connection with the IPO, instead of all of the interim dividend described in a letter to the shareholders dated 5 July 2010, on the terms and subject to the conditions (including allowing the Company to donate cash amounts in respect of fractional entitlements to Ordinary Shares resulting from elections under the Scrip Dividend Option to a charity of the Directors' choosing) and with the record date, set out in such letter.

***Resolution 5 – Issue of bonus Special Deferred Shares***

***As an ordinary resolution***

5. THAT, subject to, and conditional upon, Resolutions 1(a) to 4 being passed and pursuant to regulation 110 of Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") as incorporated in the Articles, upon the recommendation of the Directors and pursuant to the authorities and powers conferred by Resolution 5 below, the sum of £122,300,744.50, being the amount of unrealised profit of the Company recognised by the sale of certain subsidiary companies to SRGH Limited, be capitalised and appropriated as capital to the holders of A Ordinary Shares and B Ordinary Shares as appearing on the register of members at the close of business on 5 July 2010 and that the Directors be authorised and directed to apply such sum in paying up in full 244,601,549 special deferred shares of £0.50 each ("Special Deferred Shares") in the capital of the Company and to allot and distribute such Special Deferred Shares, credited as fully paid, to and among the holders of the A Ordinary Shares and B Ordinary Shares in proportion to their existing shareholdings, with the Special Deferred Shares having the rights and being subject to the restrictions set out below, namely:
- 5.1 the Special Deferred Shares shall not entitle the holders thereof to any return of assets (or the proceeds of sale thereof) in the event of a liquidation except for the nominal value for each Special Deferred Share held;
- 5.2 the Special Deferred Shares shall not entitle the holders of such shares to receive any dividend or other distribution (other than pursuant to sub-paragraph 5.1 above) or to receive notice of, or to attend, speak or vote at, any general meeting of the Company;
- 5.3 the approval of the Directors shall be required for any transfer of Special Deferred Shares;
- 5.4 the Company shall have an irrevocable authority from each holder of the Special Deferred Shares at any time to do all or any of the following without obtaining the sanction of the holder or holders of the Special Deferred Shares:
- 5.4.1 to appoint any person to execute on behalf of any holder of Special Deferred Shares a transfer of all or any of those shares and/or an agreement to transfer the same (without making any payment for them) to such person or persons as the Company may determine and to execute any other documents which such person may consider

necessary or desirable to effect such transfer, in each case without obtaining the sanction of the holder(s) and without any payment being made in respect of such acquisition;

5.4.2 to purchase all or any of the shares in accordance with the 2006 Act, without obtaining the consent of the holders of those shares in consideration of the payment to the holders whose shares are purchased of an amount not exceeding one penny in respect of all the shares whose shares are purchased of an amount not exceeding one penny in respect of all the Special Deferred Shares then being purchased;

5.4.3 for the purposes of any such purchase, to appoint any person to execute a contract for the sale of any such shares to the Company on behalf of any holder of Special Deferred Shares;

5.4.4 to cancel all or any of the Special Deferred Shares purchased in accordance with the 2006 Act; and

5.4.5 pending any such transfer, purchase or cancellation, to retain the certificates (if any) for all or any of the Special Deferred Shares,

but so that none of the rights or restrictions attached to such Special Deferred Shares shall be or be deemed to be varied or abrogated in any way by the passing or coming into effect of any resolution of the Company to reduce its share capital and/or reduce or cancel (as the case may be) its share premium account (including a resolution to reduce the capital paid up on, and to cancel, such Special Deferred Shares).

#### ***Resolution 6 – Directors' authority to allot***

##### ***As an ordinary resolution***

6. THAT, subject to, and conditional upon, Resolutions 1(a) to 5 being passed, the Directors of the Company be and they hereby generally and unconditionally authorised in accordance with section 551 of the 2006 Act (in substitution for and to the exclusion of any existing authority or authorities to allot shares), to exercise all of the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares of the Company up to an aggregate nominal amount of £122,300,774.50 in connection with the issue of Special Deferred Shares pursuant to Resolution 5 above, provided that such authority shall expire (unless renewed, varied or revoked by the Company) on the conclusion of the next annual general meeting of the Company after the passing of this Resolution 6, save that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry, and the Directors may allot shares and grant rights to subscribe or convert securities into shares in pursuance of such offer or agreement as if the authority conferred by this Resolution 6 had not expired.

#### ***Resolution 7 – Dis-application of statutory pre-emption rights in relation to allotments in connection with issue of Special Deferred Shares***

##### ***As a special resolution***

7. THAT, subject to, and conditional upon, Resolutions 1(a) to 6 being passed and without prejudice to any other authority conferred on the Directors pursuant to these Resolutions, the Directors be and are hereby authorised pursuant to section 571 of the 2006 Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash, pursuant to the authority granted pursuant to Resolution 3, as if section 561(1) of the 2006 Act did not apply to such allotment, provided that the authority conferred by this Resolution 7:
- 7.1 will apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before such expiry make offers or enter into agreements which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities



under any such offer or agreement as if the authority conferred by this Resolution 6 had not expired; and

- 7.2 is limited to the allotment of equity securities of up to an aggregate nominal amount of £122,300,774.50 in connection with the issue of Special Deferred Shares pursuant to Resolution 5 above.

***Resolution 8 – First reduction of capital***

***As a special resolution***

8. THAT, subject to, and conditional upon, Resolutions 1(a) to 7 being passed, the share capital of the Company be and the same is hereby reduced to £132,414,225.40 by:
- 8.1 reducing the nominal value of each of the A Ordinary Shares then in issue from £0.50 each to £0.25 each ("**Intermediate A Ordinary Shares**");
- 8.2 reducing the nominal value of each of the B Ordinary Shares then in issue from £0.50 each to £0.25 each ("**Intermediate B Ordinary Shares**"); and
- 8.3 cancelling and extinguishing for no consideration the amount then standing to the credit of the Company's share premium account, being an amount equal to £26,046,000.00.

***Resolution 9 – Consolidation and sub-division of Intermediate A Ordinary Shares, Intermediate B Ordinary Shares and C Ordinary Shares***

***As a special resolution***

9. THAT, subject to, and conditional upon, Resolutions 1(a) to 8 being passed:
- 9.1 every two Intermediate A Ordinary Shares then in issue in the capital of the Company be and are hereby consolidated into one consolidated A ordinary share of £0.50 each (a "**Consolidated A Share**");
- 9.2 every two Intermediate B Ordinary Shares then in issue in the capital of the Company be and are hereby consolidated into one consolidated B ordinary share of £0.50 each (a "**Consolidated B Share**"); and
- 9.3 every two C Ordinary Shares then in issue in the capital of the Company be and are hereby consolidated into one consolidated C ordinary share of £0.02 each (a "**Consolidated C Share**"),

provided that, where such consolidation results in a member being entitled to a fraction of a Consolidated A Share, a fraction of a Consolidated B Share or a fraction of a Consolidated C Share (as the case may be), such fraction shall be aggregated with such other fractions into Consolidated A Shares, Consolidated B Shares or Consolidated C Shares (as the case may be) (the "**Fractional Entitlement Shares**") and pursuant to Regulation 33 of Table A as incorporated in the Company's Articles, the Directors of the Company be and are hereby authorised to sell (or appoint another person to sell), on behalf of all the relevant members, all the Fractional Entitlement Shares and any remaining fraction of a Consolidated A Share, Consolidated B Share and/or a Consolidated C Share (as the case may be) resulting from the aggregation of the fractional entitlements into Consolidated A Shares, Consolidated B Shares and/or Consolidated C Shares (the "**Remaining Fraction**"), at the best price reasonably obtainable to any person (including the Company), and distribute the proceeds of sale (net of expenses) (any fraction of a penny which would otherwise be payable being rounded down to the nearest penny if less than half a penny and rounded up if more than or equal to half a penny), and that any person authorised by the Directors of the Company be and is hereby authorised to execute any instrument of transfer in respect of such shares on behalf of the relevant shareholders, provided that the Directors shall not be required to distribute the

proceeds of sale of any Fractional Entitlement Shares and any Remaining Fraction to any member where such member's entitlement would equate to £5.00 or less. All such entitlements shall instead be aggregated and donated to a charity of the Directors' choosing;

- 9.4 each of the Consolidated A Shares be and is hereby sub-divided into five A ordinary shares of £0.10 each ("**New A Shares**");
- 9.5 each of the Consolidated B Shares be and is hereby sub-divided into five B ordinary shares of £0.10 each ("**New B Shares**"); and
- 9.6 each of the Consolidated C Shares be and is hereby sub-divided into five C ordinary shares of £0.004 each ("**New C Shares**");

such consolidation and sub-division to take effect upon all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to effect the reduction of share capital approved pursuant to Resolution 8.

***Resolution 10 – Buy-back out of distributable reserves of Fractional Entitlement Shares arising as a result of consolidation of share capital pursuant to Resolution 9***

***As a special resolution***

10. THAT, subject to, and conditional upon, Resolutions 1(a) to 9 being passed and the consolidation of the Intermediate A Shares, Intermediate B Shares and Intermediate C Shares into Consolidated A Shares, Consolidated B Shares and Consolidated C Shares, respectively, being effected, the terms of an agreement proposed to be made between (1) the Company and (2) the Company (on behalf of all of the shareholders of the Company entitled to Fractional Entitlement Shares as a result of the creation of the Consolidated A Shares, Consolidated B Shares and Consolidated C Shares pursuant to Resolution 9), for the purchase by the Company of the Fractional Entitlement Shares and any Remaining Fraction ("**Share Purchase Contract 1**") upon the terms (including for aggregate consideration equal to the aggregate nominal value of such Fractional Entitlement Shares and any Remaining Fraction) set out in the attached copy of Share Purchase Contract 1, are approved.

***Resolution 11 – Second reduction of capital***

***As a special resolution***

11. THAT, subject to, and conditional upon, Resolutions 1(a) to 10 being passed, the share capital of the Company be and the same is hereby reduced to £10,113,450.91 by cancelling and extinguishing 244,601,549 Special Deferred Shares, such reduction of capital to take effect upon the New A Shares, New B Shares and New C Shares being created as a result of the consolidation and sub-division of the Intermediate A Shares, Intermediate B Shares and Intermediate C Shares pursuant to Resolution 9 and all relevant formalities having been complied with in relation thereto and the Company's register of members being updated accordingly.

***Resolution 12 – Buy-back out of distributable reserves of Deferred Shares***

***As a special resolution***

12. THAT, subject to, and conditional upon, Resolutions 1(a) to 11 being passed, the terms of an agreement proposed to be made between (1) the Company and (2) The Consortium Coal Company Limited, for the purchase by the Company of 100,000 deferred shares of £1.00 each in the capital of the Company ("**Deferred Shares**") ("**Share Purchase Contract 2**") upon the terms (including for an aggregate consideration of £1,000) set out in the attached copy of Share Purchase Contract 2, are approved, such buy-back to take effect upon all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to effect the reduction of share capital approved pursuant to Resolution 11.

***Resolution 13 – Buy-back out of distributable reserves of C Ordinary Shares***

***As a special resolution***

13. THAT, subject to, and conditional upon, Resolutions 1(a) to 12 being passed, the terms of an agreement proposed to be made between (1) the Company and (2) all the holders of New C Shares, agreement proposed to be made between (1) the Company and (2) all the holders of New C Shares, for the purchase by the Company of the New C Shares ("**Share Purchase Contract 3**") upon the terms (including for an aggregate consideration of £13,450.90, representing the aggregate nominal value of the New C Shares, and completion of such contract being conditional on the Company being re-registered as a public limited company following the passing of Written Resolution 14 and all relevant formalities and filings having been made in order to effect such re-registration) set out in the attached copy of Share Purchase Contract 3, are approved.

***Resolution 14 – Re-registration as a public company***

***As a special resolution***

14. THAT, subject to, and conditional upon, Resolutions 1(a) to 13 being passed:
- 14.1 pursuant to the provisions of section 90 of the 2006 Act, the Company be and is re-registered as a public limited company; and
- 14.2 the articles of association in the form attached (the "**Interim Articles**") be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company,

such re-registration and adoption of the Interim Articles to take effect following all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to effect the buy-back and cancellation of Deferred Shares approved pursuant to Resolution 12.

***Resolution 15 – Re-designation of New A Shares and New B Shares***

***As an ordinary resolution***

15. THAT, subject to, and conditional upon, Resolutions 1(a) to 14 being passed and conditional upon, and immediately prior to, Admission occurring:
- 15.1 each New A Share in the capital of the Company then in issue be re-designated as an Ordinary Share having the rights and being subject to the restrictions set out in the New Articles (as defined in Resolution 16 below); and
- 15.2 each New B Share in the capital of the Company then in issue be re-designated as an Ordinary Share having the rights and being subject to the restrictions set out in the New Articles (as defined in Resolution 16 below),

such re-designation to take effect following all relevant filings having been made with Companies House and any other relevant formalities having been complied with in order to re-register the Company as a public limited company, to effect the buy-back and cancellation of the New C Shares approved pursuant to Resolution 13 and to adopt the New Articles (as defined in Resolution 16 below) approved pursuant to Resolution 16 below.

***Resolution 16 – Adoption of new articles of association***

***As a special resolution***

16. THAT, subject to, and conditional upon, Resolutions 1(a) to 15 being passed and following all corporate actions authorised pursuant thereto having been implemented and effected in practice, and conditional upon, and immediately prior to, Admission occurring:

- 16.1 the Company's Articles are hereby amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles; and
- 16.2 the articles of association in the form set out on the Company's website ([www.scottishresources.com](http://www.scottishresources.com)), a summary of which is included in Appendix D to the letter accompanying these Resolutions (the "New Articles"), be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.

***Resolution 17 – Directors' authority to allot in connection with the Scrip Dividend Offer and the Placing***  
***As an ordinary resolution***

17. THAT, subject to, and conditional upon, Resolutions 1(a) to 16 being passed and conditional upon, and immediately prior to, Admission occurring and without prejudice to any other authority conferred on the Directors pursuant to these Resolutions, the Directors be and are hereby authorised in accordance with section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £2,600,000.00 for the purposes of satisfying elections to receive Ordinary Shares under the Scrip Dividend Option and the placing of up to 20,000,000 Ordinary Shares to institutional and other investors (the "Placing"), such authority to apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may make offers or enter into agreements before such expiry which would, or might, require shares to be allotted after such expiry and the Directors may allot shares under any such offers or agreements as if the authority conferred by this Resolution 17 had not expired.

***Resolution 18 – Dis-application of statutory pre-emption rights in relation to allotments in connection with the Scrip Dividend Offer and the Placing***

***As a special resolution***

18. THAT, subject to, and conditional upon, Resolutions 1(a) to 17 being passed and conditional upon, and immediately prior to, Admission occurring and without prejudice to any other authority conferred on the Directors pursuant to these Resolutions, the Directors be and are hereby authorised pursuant to section 571 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) of the Company for cash, pursuant to the authority granted pursuant to Resolution 17, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that the authority conferred by this Resolution 18:
- 18.1 will apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before such expiry make offers or enter into agreements which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the authority conferred by this Resolution 18 had not expired; and
- 18.2 is limited to the allotment of equity securities of up to an aggregate nominal amount of £2,600,000.00 for the purposes of the Scrip Dividend Offer and the Placing.

***Resolution 19 – Directors' general authority to allot post-Admission***

***As an ordinary resolution***

19. THAT, subject to, and conditional upon, Resolutions 1(a) to 18 being passed and conditional upon, and immediately prior to, Admission occurring and in addition to the amount set out in Resolution 17, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the 2006 Act to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

- 19.1 up to a maximum aggregate nominal amount of £8,400,000.00 (representing two thirds of the allotted and fully paid up share capital of the Company expected to be in issue immediately following Admission) (such amount to be reduced by the nominal amount of any shares allotted under sub-paragraph 19.2 below) in connection with an offer by way of rights, open offer or other pre-emptive offer:

other pre-emptive offer.

19.1.1 to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

19.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 19.2 in any other case, up to an aggregate nominal amount of £4,200,000.00 (representing one third of the allotted and fully paid up share capital of the Company expected to be in issue immediately following Admission) (such amount to be reduced by the nominal amount of any shares allotted under sub-paragraph 19.1 above in excess of £4,200,000.00,

such authority to apply until the end of the annual general meeting of the Company in 2011 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before such expiry make offers or enter into agreements which would, or might, require such shares to be allotted or such rights to be granted after such expiry and the Directors may allot such shares and/or grant such rights in pursuance of such offers or agreements as if the authority conferred by this Resolution 19 had not expired.

***Resolution 20 – Dis-application of statutory pre-emption rights in relation to allotments pursuant to Resolution 19***

***As a special resolution***

20. THAT, subject to, and conditional upon, Resolutions 1(a) to 19 being passed and conditional upon, and immediately prior to, Admission occurring, the Directors be and are hereby authorised pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash pursuant to the authority conferred on the Directors pursuant to Resolution 19 and be empowered pursuant to section 573 of the 2006 Act to sell ordinary shares (as defined in section 724 of the 2006 Act) for cash, in each case as if section 561(1) of the 2006 Act did not apply to such allotment or sale, provided that this power shall be limited to the allotment of equity securities and/or the sale of treasury shares:

- 20.1 in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of Ordinary Shares and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal and practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and

- 20.2 otherwise than pursuant to sub-paragraph 20.1, up to an aggregate nominal amount of £630,000.00 (representing approximately five per cent. of the maximum expected issued and unconditionally allotted share capital of the Company immediately following Admission),

and such power shall expire at the end of the annual general meeting of the Company in 2011, but so that the Company may before such expiry make offers or enter into agreements which would, or might, require equity securities to be allotted or treasury shares to be sold after such expiry and the

Directors may allot equity securities and/or sell treasury shares in pursuance of such offers or agreements as if the authority conferred by this Resolution 20 had not expired.

***Resolution 21 – Directors' authority to make market purchases***

***As a special resolution***

***As a special resolution***

21. THAT, subject to, and conditional upon, Resolutions 1(a) to 20 being passed and conditional upon, and immediately prior to, Admission occurring, the Directors be and are hereby authorised for the purposes of section 701 of the 2006 Act to make market purchases (within the meaning of section 693(4) of the 2006 Act) of Ordinary Shares, on such terms and in such manner as the Directors may, from time to time, determine, subject to the following conditions:
- 21.1 the maximum number of Ordinary Shares authorised to be purchased may not be more than 12,600,000 (representing approximately 10 per cent. of the allotted and fully paid ordinary share capital of the Company expected to be in issue immediately following Admission);
- 21.2 the minimum price which may be paid for an Ordinary Shares is 10 pence, being the nominal value of each Ordinary Share;
- 21.3 the maximum price which may be paid for each Ordinary Share shall be the higher of (a) an amount equal to 105 per cent. of the average middle market quotations of an Ordinary Share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share, as derived from the London Stock Exchange Trading System;
- 21.4 this authority shall expire at the end of the annual general meeting of the Company in 2011; and
- 21.5 a contract to purchase shares under this authority may be made prior to the expiry of the authority and concluded in whole or in part after the expiry of this authority.



Chairman of the Company