

SALTIRE FACILITIES MANAGEMENT LIMITED (the "Company")

(No. SC211524)

WRITTEN RESOLUTION

CIRCULATION DATE: 5 January 2011

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a Special Resolution (the "Resolution").

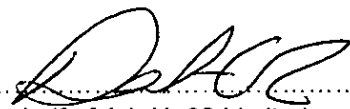
SPECIAL RESOLUTION

THAT the existing Articles of Association of the Company be deleted in their entirety and the Articles of Association annexed to this Written Resolution be adopted as the Articles of Association of the Company in substitution therefor.

AGREEMENT

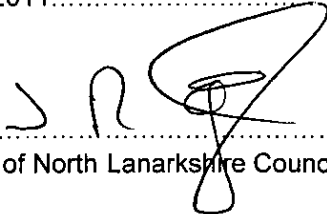
Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being the persons entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signature: 
for and on behalf of A.L.H. 86 Limited

Full name: David Edward Black

Date: 5 January 2011.....

Signature: 
for and on behalf of North Lanarkshire Council

Full name: John Russell Ellerby

Date: 5 January 2011.....

FRIDAY



SCT *SXS94QSC* 105
14/01/2011
COMPANIES HOUSE

NOTES

- 1 If you agree with the Resolution, please indicate your agreement by signing, inserting your full name and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By hand:** delivering the signed copy to David Black, 1 Badenheath Place, Westfield, Cumbernauld G68 9HX.
- **Post:** returning the signed copy by post to David Black, 1 Badenheath Place, Westfield, Cumbernauld G68 9HX.

If you do not agree to the Resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to the Resolution you may not revoke your agreement.
- 3 Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SALTIRE FACILITIES MANAGEMENT LIMITED

2011

MBH.SKC.N10074.1003-0003



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
SALTIRE FACILITIES MANAGEMENT LIMITED

Part 1
INTERPRETATION AND LIMITATION OF LIABILITY

1 DEFINED TERMS

1.1 In these Articles, unless the context requires otherwise —

"Acceptance Period" means the period of twenty-eight days specified in Article 32.6.2;

"A Director" means a Director appointed by the A Shareholder;

"Alternate Director" means a person appointed in accordance with Article 23.1;

"Appointor" has the meaning ascribed to it in Article 23.1;

"Articles" means the Company's articles of association for the time being in force;

"A Shareholder" means the holder of the A Shares;

"A Shares" means class A ordinary Shares of £1 each;

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of sequestration in Scotland pursuant to the Bankruptcy (Scotland) Act 1985 as amended;

"B Director" means a Director appointed by the B Shareholder;

"Board" means the board of Directors of the Company;

"Board Meeting" means a meeting of the Directors held in accordance with these Articles;

"B Shareholder" means the holder of the B Shares;

"B Shares" means B ordinary Shares of £1 each;

"Business Day" means any day, excluding Saturdays, Sundays or public holidays upon which banks are open for business in Scotland;

"Capitalised Sum" has the meaning ascribed thereto in Article 40.1.2;

"Chairman of the Meeting" has the meaning ascribed thereto in Article 43.2;

"Committee" means a committee appointed by the Directors in exercise of their powers in Article 4;

"Companies Act" means the Companies Act 2006;

"Conflict" has the meaning ascribed thereto in Article 14.1;

"Control" means, in relation to a body corporate or other organisation, the power of any person or persons to secure that the business and affairs of the body corporate (or other organisation) are conducted in accordance with the wishes of that person or persons:

- (i) by means of the holding of shares, or the possession of voting power, in or in relation to that or any other body corporate or other organisation, or
- (ii) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate or other organisation,

and a **"Change of Control"** occurs if the person or persons who Controls/Control any body corporate or other organisation ceases/cease to do so and/or if another person or persons acquires/acquire Control of it;

"Costs" means costs, claims, demands, actions, liabilities, losses, damages, interest, penalties and expenses whatsoever (including legal, accounting and other professional fees and outlays reasonably incurred) in connection with the relevant matter;

"Default Event" has the meaning ascribed thereto in Article 33.1;

"Defaulting Shareholder" means a Shareholder in respect of which a Default Event has occurred;

"Default Notice" has the meaning ascribed thereto in Article 33.3.3;

"Default Shares" has the meaning ascribed thereto in Article 33.3.3;

"Director" means a director of the Company, including where applicable any Alternate Director, and includes any person fulfilling the role of a director, by whatever name called;

"Distribution Recipient" means the holder of a Share in respect of which a dividend or other sum is payable;

"Document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"Eligible Director" means a Director who would be entitled to vote on the matter at a Board Meeting (but excluding any Director whose vote is not to be counted in respect of the particular matter);

"Encumbrance" means any interest or equity of any person (including, without limitation, any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien or assignment or other encumbrance, priority or security interest or any other agreement or arrangement having similar effect and "Encumbrancer" means any person holding one or more Encumbrances;

"Expert" means a firm of independent chartered accountants nominated by the Proposing Transferor and the other Shareholder or in the event of any failure to agree upon such nomination, chosen by the President for the time being of the Institute of Chartered Accountants of Scotland (or the corresponding officer in any successor body) on the application of any Shareholder and who shall act as an expert and not as an arbiter and whose expenses shall be borne as it in its sole discretion shall direct and in the absence of any such direction shall be borne equally by the Shareholders;

"Fair Value" means as regards the value of Shares, a sum agreed by the Proposing Transferor and the other Shareholder or, in the absence of such agreement within 28 days, the sum that the Expert shall determine and certify as the sum considered by it to be the fair value of such Shares as at the date of the relevant notice having regard to what a willing buyer would offer to a willing seller with no discount for a minority holding;

"Fully Paid" in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company;

"Group Company" means, in relation to any Shareholder, any holding company, subsidiary or subsidiary undertaking of such Shareholder and any other company which is a subsidiary or subsidiary undertaking of such holding company from time to time and **"Group Companies"** shall be construed accordingly;

"Instrument" means a document in hard copy form;

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

"Non-defaulting Shareholder" has the meaning ascribed thereto in Article 33.3

"paid" means paid or credited as paid, and cognate expressions are to be construed accordingly;

"Participate" in relation to a Board Meeting, has the meaning ascribed thereto in Article 10, and cognate expressions are to be construed accordingly;

"Persons Entitled" has the meaning ascribed thereto in Article 40.1.2;

"Proposing Transferor" has the meaning ascribed thereto in Article 32.6;

"Proxy Notice" has the meaning ascribed thereto in Article 49.1;

"Purchasing Shareholder" has the meaning ascribed to it in Article 32.6.4;

"Relevant Date" has the meaning ascribed thereto in Article 32.6.1;

"Relevant Loss" has the meaning ascribed thereto in Article 56.2;

"Relevant Officer" has the meaning ascribed thereto in Article 55.3;

"Sale Shares" has the meaning ascribed thereto in Article 32.6.1;

"Secretary" means a person appointed in accordance with Article 26;

"Services" means the provision of servicing and maintenance by the Company to North Lanarkshire Council through the carrying out of the works as defined in any works agreement from time to time between the Company and North Lanarkshire Council;

"Shareholder" in relation to Shares means a person whose name is entered in the register of members as the holder of Shares;

"Shareholder Quorum" means, unless agreed otherwise by all the Shareholders or stipulated to the contrary in these Articles, one duly authorised representative of the A Shareholder and one duly authorised representative of the B Shareholder;

"Shares" means shares in the Company;

"Transferee Company" has the meaning ascribed thereto in Article 32.5.3;

"Transfer Notice" has the meaning ascribed thereto in Article 32.6.1, and

"Transferor Company" has the meaning ascribed thereto in Article 32.5.3.

1.2 Unless expressly provided otherwise, words or expressions contained in these Articles bear the same meaning as in the Companies Act in force on the date when these Articles became binding on the Company.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an **"Article"** is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to an order, a regulation, a **statute or statutory provision or to subordinate legislation** is a reference to it as it is in force from time to time, taking account of —

1.5.1 any subordinate legislation from time to time made under it, and

1.5.2 any amendment or re-enactment,

and includes any order, regulation, statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.6 A reference to a **"person"** (unless the context otherwise requires) includes a natural person, firm, partnership, company, corporation, association, organisation, local or national government authority, state, foundation and trust (in each case whether or not having separate legal personality).

- 1.7 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2 EXCLUSION OF MODEL ARTICLES

- 2.1 The Model Articles are excluded in their entirety by these Articles and shall not apply to the Company. No other regulations set out in any schedule to, or contained in any order, regulation or other subordinate legislation made under, any statute concerning companies shall apply as regulations or articles of the Company.

3 LIABILITY OF MEMBERS

- 3.1 The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.

PART 2 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

4 DIRECTORS' GENERAL AUTHORITY

- 4.1 Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 4.2 Directors may appoint one or more Committees from time to time which must comprise an A Director and a B Director, and the Directors may delegate some or all of their powers and responsibilities to such Committee(s).

5 SHAREHOLDERS' RESERVE POWER

- 5.1 The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

6 COMMITTEES

- 6.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.
- 6.2 The Directors may make rules of procedure for all or any Committees, which prevail over rules derived from these Articles if they are not consistent with them.

DECISION MAKING BY DIRECTORS

7 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 7.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a Board Meeting or a decision taken in accordance with Article 8.

8 UNANIMOUS DECISIONS

- 8.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 8.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum had the resolution been proposed at a Board Meeting.

9 CALLING A BOARD MEETING

- 9.1 The Board shall meet at least once every month or as may otherwise be determined by the Board. All such meetings will be held at such place as the Board may from time to time agree. Any Director may convene a Board Meeting on not less than two Business Days' (or such shorter period as the Directors may unanimously agree) notice to consider any matter which requires urgent deliberation.
- 9.2 Notice of any Board Meeting must indicate —
- 9.2.1 the proposed date and time of the Board Meeting;
 - 9.2.2 where the Board Meeting is to take place, and
 - 9.2.3 if it is anticipated that Directors Participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the Board Meeting.
- 9.3 Notice of a Board Meeting shall be given to each Director.
- 9.4 It shall not be necessary to give notice of a Board Meeting to a Director whose whereabouts are unknown to the Company at the time when notice of the Board Meeting is to be given to Directors.
- 9.5 The accidental omission to give notice of a Board Meeting to, or the non-receipt of notice of a Board Meeting by, any Director entitled to receive notice shall not invalidate the proceedings of that Board Meeting.

10 PARTICIPATION IN BOARD MEETINGS

- 10.1 Subject to these Articles, Directors Participate in a Board Meeting, or part of a Board Meeting, when —
- 10.1.1 the Board Meeting has been called and takes place in accordance with these Articles, and
 - 10.1.2 each can each communicate to the others simultaneously any information or opinions he has on any particular item of the business of the Board Meeting.
- 10.2 In determining whether Directors are Participating in a Board Meeting, it is irrelevant where any Director is or how the Directors communicate with each other.
- 10.3 If all the Directors Participating in a Board Meeting are not in the same place, they may decide that the Board Meeting is to be treated as taking place wherever any of them is and in default of agreement, the Board Meeting shall be deemed to be held at the location of the Director who is the chairman of the Board Meeting.

11 QUORUM FOR BOARD MEETINGS

- 11.1 At a Board Meeting, unless a quorum is Participating, no proposal is to be voted on, except a proposal to call another Board Meeting.
- 11.2 Unless agreed otherwise by all the Shareholders or provided otherwise in these Articles, the quorum for the transaction of business at a Board Meeting shall comprise one A Director and one B Director.
- 11.3 If within fifteen minutes (or such longer time as the Director or Directors present may agree to wait) from the time appointed for any Board Meeting, a quorum is not present, the meeting shall be dissolved and reconvened at such time and place as is decided by the Director(s) present and duly notified to the other Directors (but not less than four Business Days later) and at the reconvened meeting in the event that there is not a quorum the Director(s) present shall be a quorum (and if the chairman of the Board is not present, shall select a chairman from their number).
- 11.4 For the purposes of any Board Meeting (or part of a Board Meeting) held pursuant to Article 14 to authorise a Director's Conflict, the quorum shall be any two Eligible Directors.

12 CHAIRING OF BOARD MEETINGS

- 12.1 Unless agreed otherwise by all the Shareholders or provided otherwise in these Articles, Board Meetings shall be chaired by an A Director or in the case of a Board Meeting held pursuant to Article 14 to authorise a Director's Conflict, chaired by any Eligible Director willing to act as chairman. In the case of an equality of votes, the chairman shall not be entitled to a second casting vote in addition to any other vote which he may have.

13 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 13.1 Subject to Sections 177(5) and 177(6) and Sections 182(5) and 182(6) of the Companies Act and provided he has declared the nature and extent of his interest in

accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed contract, transaction or arrangement with the Company —

- 13.1.1 may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 13.1.2 unless agreed otherwise by all the Shareholders, shall be an Eligible Director for the purposes of any proposed decision of the Directors (or Committee) in respect of such contract, transaction or arrangement or proposed contract, transaction or arrangement in which he is interested;
 - 13.1.3 unless agreed otherwise by all the Shareholders, shall be entitled to vote at a Board Meeting or at a meeting of a Committee, or participate in any unanimous decision, in respect of such contract, transaction or arrangement or proposed contract, transaction or arrangement in which he is interested;
 - 13.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
 - 13.1.5 may be a Director or other officer of, or employed by, or a party to a contract, transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
 - 13.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Companies Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act.
- 13.2 For the purposes of this Article, references to proposed decisions and decision-making processes include any Board Meeting or part of a Board Meeting

14 DIRECTORS' CONFLICTS OF INTEREST

- 14.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Companies Act to avoid conflicts of interest (a "**Conflict**").
- 14.2 Any authorisation under this Article will be effective only if —
 - 14.2.1 the matter in question shall have been proposed by any Director for consideration at a Board Meeting in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

- 14.2.2 any requirement as to the quorum at the Board Meeting at which the matter is considered is met without counting the Director in question, and
- 14.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 14.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently) —
 - 14.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - 14.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine, and
 - 14.3.3 be terminated or varied by the Directors at any time.
- 14.4 A termination or variation made under Article 14.3.3 shall not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- 14.5 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to —
 - 14.5.1 disclose such information to the Directors or to any Director or other officer or employee of the Company, or
 - 14.5.2 use or apply any such information in performing his duties as a Director,
 where to do so would amount to a breach of that confidence.
- 14.6 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director —
 - 14.6.1 is excluded from discussions (whether at Board Meetings or otherwise) related to the Conflict;
 - 14.6.2 is not given any Documents or other information relating to the Conflict, and
 - 14.6.3 may or may not vote (or may or may not be counted in the quorum) at any future Board Meetings in relation to any resolution relating to the Conflict.
- 14.7 Where the Directors authorise a Conflict —
 - 14.7.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
 - 14.7.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act provided he acts in

accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

- 14.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

15 RECORDS OF DECISIONS TO BE KEPT

- 15.1 The Directors must ensure that the Company keeps a record, in writing for at least ten years from the date of the decision recorded of every decision taken by the Directors.
- 15.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that the record of the decisions may be read with the naked eye.

16 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

- 16.1 Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT OF DIRECTORS AND SECRETARY

17 NUMBER OF DIRECTORS

The Board of Directors shall be comprised of up to six Directors, made up of up to four A Directors and two B Directors.

18 METHODS OF APPOINTING DIRECTORS

- 18.1 The A Shareholder shall be entitled to appoint up to four Directors and the B Shareholder shall be entitled to appoint up to two Directors. A Director may be removed from office at any time by the Shareholder who appointed him.
- 18.2 If any A Director or any B Director shall die or be removed from or vacate office for any cause, the A Shareholder (in the case of an A Director) or the B Shareholder (in the case of a B Director) shall be entitled to appoint in his place another person to be an A Director or a B Director (as the case may be).
- 18.3 Any appointment or removal of a Director pursuant to this Article shall be in writing and signed by or on behalf of the appointing Shareholder and served on the other Shareholder and the Company at its registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

19 TERMINATION OF DIRECTOR'S APPOINTMENT

- 19.1 A person ceases to be a Director as soon as —

- 19.1.1 that person ceases to be a Director by virtue of any provision of the Companies Act or is prohibited from being a Director by law;
- 19.1.2 a bankruptcy order is made against that person or his estates are sequestrated;
- 19.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts or he grants a trust deed (whether or not it becomes protected) for the benefit of his creditors;
- 19.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 19.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 19.1.6 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with the terms of the notification, or
- 19.1.7 that person is removed as a Director pursuant to Article 18.1.

20 DIRECTORS' REMUNERATION

- 20.1 The Shareholders may make such provision for remuneration of the Directors by the Company as they may unanimously agree from time to time.

21 DIRECTORS' EXPENSES

- 21.1 The Company may pay any reasonable expenses which the Directors and the Secretary (if any) properly incur in connection with their attendance at —

- 21.1.1 Board Meetings or meetings of Committees;
- 21.1.2 general meetings, or
- 21.1.3 separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

22 DIRECTORS' DISCLOSURE TO SHAREHOLDERS

- 22.1 Any A Director or B Director shall be entitled from time to time disclose to the A Shareholder or B Shareholder respectively such information concerning the business and affairs of the Company as he shall at his discretion see fit.

23 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

23.1 Any Director (the “**Appointor**”) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors as his Alternate Director, to —

23.1.1 exercise the Appointer’s powers, and

23.1.2 carry out the Appointer’s responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate Director’s Appointor and may remove a person so appointed.

23.2 Any appointment or removal of an Alternate Director shall be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

23.3 The Appointer’s notice of appointment shall —

23.3.1 identify the proposed Alternate Director, and

23.3.2 contain a statement signed by the proposed Alternate Director that he is willing to act as the Alternate Director of the Appointer.

24 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

24.1 An Alternate Director may act as an Alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as his Appointor.

24.2 Except as these Articles specify otherwise, Alternate Directors —

24.2.1 are deemed for all purposes to be Directors;

24.2.2 are liable for their own acts and omissions;

24.2.3 are subject to the same restrictions as their Appointors, and

24.2.4 are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of Committees of Directors of which his Appointor is a member.

24.3 A person who is an Alternate Director but not a Director —

24.3.1 may be counted as Participating for the purposes of determining whether a quorum is present (but only if that person’s Appointor is not Participating);

24.3.2 may Participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not Participate), and

24.3.3 shall not be counted as more than one Director for the purposes of Articles 24.3.1 and 24.3.2.

24.4 A Director who is also an Alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

24.5 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of his Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

25 TERMINATION OF ALTERNATE DIRECTORSHIP

25.1 An Alternate Director's appointment as an Alternate Director terminates —

25.1.1 when his Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

25.1.2 on the occurrence, in relation to the Alternate Director, of any event which, if it occurred in relation to his Appointor, would result in the termination of the Appointor's appointment as a Director;

25.1.3 on the death of his Appointor, or

25.1.4 when his Appointor's appointment as a Director terminates.

26 SECRETARY

26.1 The Directors may (but are not required to) appoint any person who is willing to act as the Secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement.

PART 3 SHARES AND DISTRIBUTIONS

SHARES

27 CLASS SHARES

27.1 The share capital of the Company shall consist of A Shares and B Shares. The A Shares and B Shares shall constitute different classes of shares for the purposes of the Companies Act but shall, except as expressly provided in these Articles, rank *pari passu* in all respects.

27.2 Unless agreed otherwise by all the Shareholders and subject to the remaining provisions of this Article 27, the Directors are generally and unconditionally authorised, for the purpose of section 551 of the Companies Act, to exercise any power of the Company to —

27.2.1 offer or allot;

27.2.2 grant rights to subscribe for or to convert any security into, or

27.2.3 otherwise deal in, or dispose of,

any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper.

27.3 The authority referred to in Article 27.2 —

27.3.1 shall be limited to a maximum nominal amount of £1,000;

27.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by agreement between the Shareholders, and

27.3.3 may only be exercised for a period of five years from the date of adoption of these Articles.

27.4 The issued share capital of the Company at the date of adoption of these Articles is 1,000 shares of nominal value of £1, of which —

27.4.1 667 are A Shares and are held by the A Shareholder, and

27.4.2 333 are B Shares and are held by the B Shareholder.

28 ALL SHARES TO BE FULLY PAID UP

28.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

29 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

29.1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.

29.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Shareholder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares.

30 SHARE CERTIFICATES

30.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

30.2 Every Share certificate must specify —

30.2.1 in respect of how many Shares, of what class, it is issued;

30.2.2 the nominal value of those Shares;

30.2.3 that the Shares are fully paid, and

30.2.4 any distinguishing numbers assigned to the Shares represented by the certificate.

30.3 No certificate may be issued in respect of Shares of more than one class.

30.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

30.5 Share certificates must —

30.5.1 have affixed to them the Company's common seal, or

30.5.2 be otherwise executed in accordance with the Companies Act.

31 **REPLACEMENT SHARE CERTIFICATES**

31.1 If a certificate issued in respect of a Shareholder's Shares is —

31.1.1 damaged or defaced, or

31.1.2 said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.

31.2 A Shareholder exercising the right to be issued with such a replacement Share certificate —

31.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

31.2.2 must return the Share certificate which is to be replaced to the Company if it is damaged or defaced, and

31.2.3 must comply with such conditions as to evidence and indemnity as the Directors decide.

32 **SHARE TRANSFERS**

32.1 Shares may be transferred by means of an Instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.

32.2 No fee may be charged for registering any Instrument of transfer or other Document relating to or affecting the title to any Share.

32.3 The Company may retain any Instrument of transfer which is registered.

32.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.

32.5 No Shares may at any time be transferred other than —

32.5.1 in accordance with Articles 32.6 or 33.3.3 or pursuant to the exercise of any options agreed by all the Shareholders; or

32.5.2 with the prior written consent of all the Shareholders; or

32.5.3 by any A Shareholder to a Group Company provided that where the A Shareholder's Shares have been so transferred (whether directly or by a

series of transfers) from a body corporate (the "**Transferor Company**", which expression shall include a second or subsequent transferor in any such series of transfers) to a Group Company (the "**Transferee Company**") and the Transferee Company ceases to be a member of the same group of companies as the Transferor Company, then the Transferee Company shall, before the Transferee Company ceases to be such a member, transfer back to the Transferor Company all of the Shares previously transferred and, if there are any intermediary transferors between the original Transferor Company and the Transferee Company, then the Shares shall be transferred to a Group Company of the original Transferor Company, or

- 32.5.4 by the B Shareholder to any public body, company, limited liability partnership, limited partnership, partnership or any entity constituted by Act of Parliament whose role is to ensure delivery of the Services.
- 32.6 If a Shareholder (the "**Proposing Transferor**") wishes to transfer all but not some of its Shares the following provisions shall apply —
 - 32.6.1 the Proposing Transferor shall give a notice in writing (the "**Transfer Notice**") to the Company stating that it wishes to transfer its Shares (the "**Sale Shares**"). The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of such Shares to the other Shareholder and shall constitute an irrevocable power of attorney granted by the Proposing Transferor to the Company to execute a transfer of the Sale Shares pursuant to this Article 32.6. A Transfer Notice shall not be revocable from the date it is received by the Company (the "**Relevant Date**");
 - 32.6.2 the Company shall, within three Business Days of the date of agreement on, or determination of, the Fair Value, offer the Sale Shares at the Fair Value to the other Shareholder. Such offer shall be open for acceptance for a period of twenty-eight days (the "**Acceptance Period**") after which such offer if not accepted in whole or in part shall be deemed to be declined;
 - 32.6.3 the Company shall notify the Proposing Transferor and the other Shareholder of the details of the acceptances and applications which have been made under this Article within five days of expiry of the Acceptance Period;
 - 32.6.4 the other Shareholder (the "**Purchasing Shareholder**") shall be bound by the terms of any acceptance and application made by it to purchase in accordance with this Article the Sale Shares at the Fair Value;
 - 32.6.5 if all of the Sale Shares are accepted by the Purchasing Shareholder pursuant to Article 32.6.2, completion of the sale and purchase of the Sale Shares shall take place at a place and time specified by the Company in its notification given pursuant to Article 32.6.3 (which shall be a date which falls within five and ten days after the date of such notification) when the Proposing Transferor shall deliver the necessary executed stock transfer form and relevant Share certificate(s). The Sale Shares shall be sold together with all rights attaching thereto as at the Relevant Date, including the right to any dividend declared or payable on

those Shares after that date. For the avoidance of doubt, any loan notes or loan made by the Proposing Shareholder to the Company shall continue to be repaid in accordance with its normal commercial terms after the completion of the sale and purchase of the Sale Shares and shall not be assigned or transferred to the Purchasing Shareholder. The Proposing Transferor shall be bound, upon payment of the price for the Sale Shares, to transfer the Sale Shares which have been allocated pursuant to this Article to the Purchasing Shareholder;

32.6.6 if, having become bound as aforesaid, the Proposing Transferor makes default in transferring any of the Sale Shares to the Purchasing Shareholder —

32.6.6.1 any Director not appointed by the Proposing Transferor shall be entitled to execute the necessary transfer on behalf of the Proposing Transferor under the irrevocable power of attorney granted by the Transfer Notice and to do any other act or thing or execute any other Instrument required to effect the transfer of the Sale Shares;

32.6.6.2 the Company shall be entitled to hold the purchase money in trust for the Proposing Transferor in a separate bank account on trust for the Proposing Transferor and shall not be bound to earn or pay interest on any money so held;

32.6.6.3 the receipt of the Company for the purchase money shall be a good discharge to the Purchasing Shareholder and the validity of the proceedings shall not be questioned by any person, and

32.6.6.4 the Company shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchasing Shareholder as the holder of such Sale Shares;

32.6.7 if any of the Sale Shares are not accepted by the other Shareholder in accordance with this Article no Shareholder's acceptance shall be valid and the Proposing Transferor shall, at any time within one hundred and twenty Business Days of the date of the Transfer Notice, be entitled to dispose of all the Sale Shares to a third party purchaser at any price: Provided that the third party purchaser has been approved by the other Shareholder, such approval not to be unreasonably withheld or delayed, and

32.6.8 the Proposing Transferor shall keep the other Shareholder informed of the progress of the sale of the Sale Shares and shall report on the same to the other Shareholder within one hundred and twenty Business Days of the date of the Transfer Notice.

32.7 For the avoidance of doubt, all references in this Article to a Shareholder's Shares refer to all the Shares held by a Shareholder. Unless otherwise agreed by the Shareholders, no Shareholder shall be entitled to transfer only part of its Shares.

32.8 Any transferor of Shares pursuant to these Articles shall be obliged to transfer such Shares free from all liens, charges, Encumbrances and any adverse interest or claim

of any person and with all rights attached thereto at the date of such sale (and, where appropriate, such rights as shall have been taken into account in agreeing or determining the Fair Value of such Shares).

- 32.9 Notwithstanding any other provision of these Articles, any Director which has been appointed to the Board by the Proposing Transferor shall not be required to attend a meeting of the Board convened to vote on a matter which is the subject of this Article 32 for the meeting of the Board to be quorate and such Director is not permitted to vote at such meeting of the Board.

33 **DEFAULT EVENTS**

- 33.1 For the purposes of these Articles a "**Default Event**" shall be deemed to have occurred in relation to a Shareholder (the "**Defaulting Shareholder**") if —
- 33.1.1 that Shareholder has failed to perform any material obligation under any Shareholders' agreement to which it is a party in relation to the Shares or shall commit any material breach of any such agreement and, where such failure or breach is capable of remedy, such failure or breach is not remedied within twenty-eight days of such Shareholder being specifically required in writing to do so by the other Shareholder;
 - 33.1.2 that Shareholder has persistently failed to perform any material obligation or persistently committed any material breach of any Shareholders' agreement to which it is a party in relation to the Shares (a persistent failure or breach being three failures or breaches in any six month period);
 - 33.1.3 any Encumbrancer takes possession of, or an administrator, an administrative receiver, a receiver, a trustee, a liquidator (other than a provisional liquidator which is removed within 5 days of being appointed and not replaced) or other similar official is appointed over the whole or any material part of that Shareholder's undertaking, property or assets or any of its holding companies from time to time, or a petition is granted or a resolution passed for the winding up of that Shareholder (otherwise than for the purpose of a reconstruction or amalgamation without insolvency which has previously been approved by the other Shareholder (such approval not to be unreasonably withheld or delayed)), or
 - 33.1.4 that Shareholder enters into a composition or arrangement with its creditors or is unable to pay its debts as they fall due for the purposes of Section 123 of the Insolvency Act 1986.
- 33.2 If the A Shareholder has the right to terminate any agreement between the Company and the B Shareholder for Services due to a breach of that agreement by the B Shareholder, a Default Event shall be deemed to have occurred in respect of the B Shareholder, which shall be the Defaulting Shareholder.
- 33.3 Where a Default Event has occurred then upon written notice served on the Defaulting Shareholder by the other Shareholder (the "**Non-Defaulting Shareholder**") advising that such Default Event has occurred —
- 33.3.1 the Defaulting Shareholder shall not be entitled to participate in the taking of any decisions of the Company and shall not be entitled to receive

notice of or attend or exercise any vote at, nor be required to be present to constitute a quorum at, any meeting of the Shareholders or demand or receive any information which it would otherwise be entitled to in accordance with these Articles or under the Companies Act, nor shall its consent be required for any action or decision otherwise required under these Articles;

- 33.3.2 the Directors appointed by the Defaulting Shareholder shall be suspended from the Board and the Defaulting Shareholder shall have no power to appoint any Directors in the place of such Directors. For the avoidance of doubt, such Directors shall not be entitled to take any part in the management of the Company and, in particular, shall not be entitled to receive notice of, attend, be represented at, speak or vote at nor be required to be present to constitute a quorum at any meeting of the Board;
- 33.3.3 the Non-Defaulting Shareholder may give notice in writing (the "**Default Notice**") to the Defaulting Shareholder requiring the Defaulting Shareholder to sell all (but not some only) of the Shares held by the Defaulting Shareholder (the "**Default Shares**") in exchange for the nominal value of the Default Shares, and
- 33.3.4 if the Default Event is as a result of the Defaulting Shareholder not remedying a failure to perform a material obligation under any Shareholders' agreement to which it is a party in relation to the Shares or not remedying a material breach of such agreement, the Non-Defaulting Shareholder or the Company may remedy such failure or breach and the Defaulting Shareholder shall indemnify the Non-Defaulting Shareholder or the Company for all Costs either of them may incur in remedying such failure or breach and the event of the failure or breach being remedied and the Defaulting Shareholder fulfilling its obligation to indemnify the Non-Defaulting Shareholder and the Company for all Costs, there shall no longer be a Default Event.
- 33.4 If there is any dispute as to whether a Shareholder has failed to perform any material obligation or has committed any material breach of any Shareholders' agreement to which it is a party in relation to the Shares and the same is not resolved within three weeks of the dispute arising then either Shareholder may refer such dispute for determination to a Scottish Queens Counsel of not less than five years standing agreed by the Shareholders or, failing such agreement, appointed by the Dean of the Faculty of Advocates on the application of either Shareholder. The decision of such Queens Counsel in relation to the dispute, who shall act as an expert and not as arbiter shall be final and binding on the Shareholders and his costs shall be borne as he directs or failing such direction, equally between the Shareholders.
- 33.5 Completion of a sale and purchase of the Default Shares pursuant to a Default Notice shall take place at the registered office of the Company at the time specified in the Default Notice when the Defaulting Shareholder shall, upon payment to it by the Non-Defaulting Shareholder of the nominal value of the Default Shares, transfer the Default Shares to the Non-Defaulting Shareholder. The Default Shares shall be sold together with all rights attaching thereto as at the date of the Default Notice, including the right to any dividend declared or payable on those Shares after that date. For the avoidance of doubt, any loan notes or loan made by the Defaulting Shareholder to the Company shall continue to be repaid in accordance with its normal commercial terms

after the completion of the sale and purchase of the Default Shares and shall not be assigned or transferred to the Non-Defaulting Shareholder.

- 33.6 If the Defaulting Shareholder fails for any reason to transfer any Default Shares when required pursuant to this Article 33 —
- 33.6.1 any Director not appointed by the Defaulting Shareholder (who shall be deemed to be irrevocably appointed as the attorney of the Defaulting Shareholder for this purpose) still be entitled to execute the necessary transfer of such Default Shares and deliver it on the Defaulting Shareholder's behalf;
 - 33.6.2 the Company may receive the purchase money for such Default Shares from the Non-Defaulting Shareholder;
 - 33.6.3 the Company shall hold such purchase money in a separate bank account on trust for the Defaulting Shareholder but shall not be bound to earn or pay interest on any money so held;
 - 33.6.4 the Company's receipt for such purchase money shall be a good discharge to the Non-Defaulting Shareholder who shall not be bound to see the application of it, and
 - 33.6.5 the validity of the proceedings shall not be questioned by any person.
- 33.6 Notwithstanding the terms of this Article 33, any obligation in writing undertaken by one Shareholder in favour of the other Shareholder to not do and to procure that the Company does not do, certain matters is a material obligation.

DIVIDENDS AND OTHER DISTRIBUTIONS

34 PROCEDURE FOR DECLARING DIVIDENDS

- 34.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 34.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 34.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 34.4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, the dividend must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 34.5 If the Company's Share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 34.6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

- 34.7 If the Directors act in good faith they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

35 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 35.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means —

- 35.1.1 transfer to a bank or building society account specified by the Distribution Recipient in writing;
- 35.1.2 sending a cheque by post made payable to the Distribution Recipient to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a holder of the Share), or (in any other case) to an address specified by the Distribution Recipient in writing;
- 35.1.3 sending a cheque by post made payable to such person as the Distribution Recipient has specified in writing to such person at such address as the Distribution Recipient has specified in writing, or
- 35.1.4 any other means of payment as the Directors agree with the Distribution Recipient in writing.

36 NO INTEREST ON DISTRIBUTIONS

- 36.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by —

- 36.1.1 the terms on which the Share was issued, or
- 36.1.2 the provisions of another agreement between the holder of that Share and the Company.

37 UNCLAIMED DISTRIBUTIONS

- 37.1 All dividends or other sums which are —

- 37.1.1 payable in respect of Shares, and
- 37.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

- 37.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

- 37.3 If —

- 37.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and
- 37.3.2 the Distribution Recipient has not claimed it,

the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

38 NON-CASH DISTRIBUTIONS

38.1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).

38.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution —

38.2.1 fixing the value of any assets;

38.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of Distribution Recipients, and

38.2.3 vesting any assets in trustees.

39 WAIVER OF DISTRIBUTIONS

39.1 Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if —

39.1.1 the Share has more than one holder, or

39.1.2 more than one person is entitled to the Share, whether by reason of the death or Bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share.

CAPITALISATION OF PROFITS

40 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

40.1 The Directors may, if they are so authorised by an ordinary resolution —

40.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and

40.1.2 appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**Persons Entitled**") and in the same proportions.

40.2 Capitalised Sums shall be applied —

40.2.1 on behalf of the Persons Entitled, and

- 40.2.2 in the same proportions as a dividend would have been distributed to them.
- 40.3 Any Capitalised Sum may be applied in paying up new Shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as fully paid to the Persons Entitled or as they may direct.
- 40.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the Persons Entitled or as they may direct.
- 40.5 The Directors may —
 - 40.5.1 apply Capitalised Sums in accordance with Articles 40.3 and 40.4 partly in one way and partly in another;
 - 40.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and
 - 40.5.3 authorise any person to enter into an agreement with the Company on behalf of all the Persons Entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article.

PART 4 DECISION MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

41 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 41.1 The Company shall hold in each year a general meeting as its annual general meeting within nine months following its accounting reference period and at such annual general meeting the audited accounts shall be laid before the meeting.
- 41.2 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 41.3 A person is able to exercise the right to vote at a general meeting when —
 - 41.3.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 41.3.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting and entitled to vote.
- 41.4 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

41.5 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

41.6 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

42 QUORUM FOR GENERAL MEETINGS

42.1 No business shall be conducted at any general meeting unless a Shareholder Quorum is present: Provided that any resolution passed at an inquorate meeting shall only be deemed to have been duly passed if it is afterwards duly ratified by all the Shareholders at a quorate meeting duly convened or by way of the written resolution in accordance with Chapter 2 of Part 13 of the Companies Act.

43 CHAIRING GENERAL MEETINGS

43.1 General meetings shall be chaired by a representative of the A Shareholder.

43.2 The person chairing a meeting in accordance with this Article is referred to as **"the Chairman of the Meeting"**.

44 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

44.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

44.2 The Chairman of the Meeting may permit other persons who are not —

44.2.1 Shareholders, or

44.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

45 ADJOURNMENT

45.1 If within fifteen minutes (or such longer time as the Shareholder present may agree to wait) from the time appointed for any general meeting, a Shareholder Quorum is not present, the meeting shall be dissolved and reconvened at such time and place as is decided by the Shareholder present and duly notified to the other Shareholder (but not less than four Business Days later) and at the reconvened meeting in the event that there is not a Shareholder Quorum the Shareholder present shall be a quorum and its representative shall act as Chairman of the Meeting.

VOTING AT GENERAL MEETINGS

46 VOTING: GENERAL

46.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

46.2 Subject to any rights or restrictions attached to any Shares, on a show of hands every Shareholder who (being an individual) is present in person or by proxy or (being a

corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a Shareholder entitled to vote, shall have one vote and on a poll every Shareholder shall have one vote for every Share of which he is the holder.

- 46.3 In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the joint holders stand in the register of members.

47 **ERRORS AND DISPUTES**

- 47.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 47.2 Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

48 **POLL VOTES**

- 48.1 A poll on a resolution may be demanded —
- 48.1.1 in advance of the general meeting where the resolution is to be put to the vote, or
 - 48.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 48.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Companies Act) present and entitled to vote at the meeting.
- 48.3 A demand for a poll may be withdrawn if —
- 48.3.1 the poll has not yet been taken, and
 - 48.3.2 the Chairman of the Meeting consents to the withdrawal.
- 48.4 A demand for a poll which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 48.5 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

49 **CONTENT OF PROXY NOTICES**

- 49.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which —
- 49.1.1 states the name and address of the Shareholder appointing the proxy;
 - 49.1.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;

49.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine, and

49.1.4 is delivered to the Company in accordance with these Articles not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

and a Proxy Notice, which does not contain the information or authentication specified in this Article 49.1 or is not delivered in such manner as is specified in this Article 49.1, shall be invalid, unless the Directors, in their discretion, accept the Proxy Notice at any time before the meeting.

49.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

49.3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

49.4 Unless a Proxy Notice indicates otherwise, it must be treated as —

49.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

49.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

50 DELIVERY OF PROXY NOTICES

50.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

50.2 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.

50.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

50.4 If a Proxy Notice is not executed by the person appointing the proxy, it shall be accompanied by written evidence of the authority of the person who executed it to execute it on behalf of the Shareholder appointing the proxy.

51 AMENDMENTS TO RESOLUTIONS

51.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if —

51.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty-eight hours before the meeting is to take

place (or such later time as the Chairman of the Meeting may determine), and

- 51.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.
- 51.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if —
 - 51.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 51.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 51.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order his error does not invalidate the vote on that resolution.

PART 5 ADMINISTRATIVE ARRANGEMENTS

52 MEANS OF COMMUNICATION TO BE USED

- 52.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Companies Act provides for Documents which are authorised or required by any provision of the Companies Act to be sent or supplied by or to the Company.
- 52.2 Any Document shall be deemed served on or delivered to the intended recipient —
 - 52.2.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, forty-eight hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 52.2.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 52.2.3 if properly addressed and sent or supplied by electronic means, one hour after the Document or information was sent or supplied, and
 - 52.2.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 52.3 For the purposes of this Article, no account shall be taken of any part of a day that is not a Business Day.

- 52.4 In proving that any Document was properly addressed, it shall be sufficient to show that the Document was delivered to an address permitted for the purpose by the Companies Act.
- 52.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.
- 52.6 Subject to these Articles, any Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such, Documents for the time being.
- 52.7 A Director may agree with the Company that Documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty-eight hours.

53 COMPANY SEALS

- 53.1 If the Company has any common seal, it may only be used by the authority of the Directors.
- 53.2 The Directors may decide by what means and in what form any common seal is to be used.
- 53.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a Document, the Document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 53.4 For the purposes of this Article, an authorised person is —
- 53.4.1 any Director of the Company;
 - 53.4.2 the Secretary (if any), or
 - 53.4.3 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

54 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

- 54.1 The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

55 INDEMNITY

- 55.1 Subject to Article 55.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled —

55.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer —

55.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and

55.1.1.2 in relation to the Company's activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated Company's) affairs, and

55.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 55.1.1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.

55.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law.

55.3 In this Article and Article 56, a "**Relevant Officer**" means any Director or other officer or former Director or other officer of the Company (including any Company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

56 **INSURANCE**

56.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

56.2 In this Article a "**Relevant Loss**" means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company, or any pension fund or employees' share scheme of the Company.