

ABERDEEN
Certified a True Copy

RED ISLAND LIMITED

COMPANY NUMBER SC238703

WRITTEN RESOLUTION

.....
Date 29 JULY 2005
Stronachs, Solicitors, Aberdeen

The following resolution is passed in terms of Section 381A of the Companies Act 1985 as a resolutions of Red Island Limited with effect from the date that this document (or duplicate thereof) is signed by or on behalf of the last member to sign:-

SPECIAL RESOLUTION

"That the draft articles of association appended hereto be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association".

.....
John Stephen

Date: 27/6/05

.....
Elaine Stephen

Date: ~~16/6/05~~ 27/06/05 E.S

.....
Vincent Willox

Date: 27/06/05

.....
Angela Willox

Date: 27/06/05



THE COMPANIES ACTS 1985 – 1989

COMPANY LIMITED BY SHARES

ARTICLES of ASSOCIATION

OF

RED ISLAND LIMITED

Adopted by Special Resolution dated 27 June 2005



Stronachs Corporate
34 Albyn Place
(DX AB41)
Aberdeen
AB10 1FW

Tel: 01224 845845
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Client Ref: ECN/RED/9/2

CONSTITUTION OF COMPANY

1. The Company is established as a private company within the meaning of Section 1 (3) of the Companies Act 1985 (the said Act, including any statutory modification or re-enactment thereof for the time being in force being hereinafter referred to as "the Act").

The Regulations contained or incorporated in Table A in the Companies (Tables A to F) Regulations 1985 (such Table being hereinafter called "Table A") shall be deemed to be incorporated within these Articles and shall apply to the Company with the exception of Regulations 3, 4, 23, 24, 25, 35, 44, 50, 54, 59, 64 to 69 inclusive, 73 to 75 inclusive, 77, 80, 81, 85 to 89 inclusive, 93 to 97 inclusive, 112, 115 and 118 of Table A and any other Regulation which is inconsistent with the additions and modifications hereinafter set forth.

CAPITAL

2. The share capital of the Company at the date of the adoption of these Articles is £150,000 divided into 100,000 Ordinary Shares of One pound (£1) each ("the Ordinary Shares") and 50,000 Cumulative Redeemable Preference Shares of £1 each ("the Preference Shares").

The rights and restrictions attaching to the foregoing respective classes of shares are as follows:-

(A) As regards income

The profits of the Company available for distribution shall be applied as follows:-

- (i) Firstly, in paying to the holders of the Preference Shares as a class a fixed cumulative preferential net cash dividend (hereinafter in these Articles referred to as "the Preference Dividend") of ten pence *per annum* on each Preference Share. The Preference Dividend shall accrue from the date of adoption of these articles and shall be payable in arrears with the first payment due on 31st December 2008 in respect of the first period of four years and annually thereafter on 31st December of each successive year in respect of each successive one year period;
- (ii) No dividend shall be declared or paid to the holders of Ordinary Shares in respect of any financial year of the Company unless and until:-
 - the Preference Dividend has been paid in full in respect of that financial year and in respect of all previous financial years of the Company; and
 - all Preference Shares which have fallen due for redemption have been redeemed;
- (iii) Every dividend shall be distributed to the appropriate shareholders *pro rata* according to the amounts paid up or credited as paid up on the Preference Shares held by them respectively and shall accrue on a daily basis;
- (iv) Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act, the Preference

Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these Articles and, in particular, notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.

(B) As regards capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (i) first, in paying to the holders of any Preference Shares then in issue the sum of £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated up to the date of the return of capital; and
- (ii) the balance of such assets shall be distributed amongst the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

(C) As regards redemption

- (i) Subject to the provisions of the Act the Preference Shares shall be redeemed in the numbers (*pro rata* between or among the holders thereof according to their respective holdings) at the redemption price per share and on the dates set out below:

<u>Redemption Date</u>	<u>Redemption Price</u>	<u>Number of Shares Redeemable</u>
31 st December 2009	£1.00	8,625
31 st December 2010	£1.00	8,625
31 st December 2011	£1.00	8,625

and any shares not redeemed on the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

- (ii) Subject to the provisions of the Act, at any time prior to the Redemption Dates provided for in (i) above, the Company shall have the right on the Board of Directors giving notice to that effect, to redeem all or any of the Preference Shares (*pro rata* between or among the holders thereof according to their respective holdings). In the event that some but not all of the Preference Shares are redeemed under this Article 2 (C)(ii) the remaining Preference Shares shall be redeemed in three equal tranches on 31st December 2009, 31st December 2010 and 31st December 2011.
- (iii) Subject to the provisions of the Act all of the Preference Shares shall (unless the holders of 75% of the Preference Shares give notice in writing to the Company to the contrary) be redeemed immediately upon either of the following dates:-
 - the date upon which any of the equity share capital of the Company admitted to the Official List of the Stock Exchange or permission for any of the equity share capital of the Company to be dealt in on any

recognised investment exchange (as defined in Section 207 of the Financial Services Act, 1986) becomes effective; or

- the date upon which a successful offer to purchase 90 % or more of the issued equity share capital of the Company (or 90 % or more of all such capital including any already held by the offeror) is completed.

On the dates fixed for any redemption the Company shall pay to each registered holder of Preference Shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one such holder of Preference Shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

- (iv) The Company shall pay on each of the Preference Shares so redeemed the sum of £1 and shall contemporaneously pay any arrears or accruals of the Preference Dividend calculated at the date of redemption and in the absence of any direction to the contrary by the holder of the relevant Preference Shares any monies paid on redemption of such shares shall relate first to said arrears and accruals of Preference Dividend. The Preference Dividend shall cease to accrue from the date of payment of the redemption monies.

(D) As regards voting

The holders of the Preference Shares shall be entitled to receive notice of but shall not be entitled to attend or vote at any general meeting of the Company except in circumstances where any of the Preference Shares have not been redeemed, or the preference dividend or any part thereof has not been paid, on the due date in which case the holders of the Preference Shares shall be entitled to vote in respect of any resolution regarding the redemption of the Preference Shares or the payment of any dividend due on the Preference Shares.

(E) As regards Class Protection in respect of the Preference Shares

The rights attaching to the Preference Shares may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the number of Preference Shares in issue, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders thereof, but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company shall *mutatis mutandis* apply, except that the necessary quorum shall be one person holding or representing by proxy the holder of Preference Shares in issue. Without prejudice to the generality of this sub-Article, the special rights attached to the Preference Shares shall be deemed to be varied by any proposal for:-

- (i) any variation of the rights and restrictions attaching to any of the Preference Shares for the time being in issue; or
- (ii) the creation or issue of any shares not forming part of the authorised share capital of the Company as at the date of adoption of these Articles in respect of which there are proposed to be attached rights to income or to any return of capital, or

both, which rank prior to or pari passu with the rights attached to the Preference Shares;

- (iii) the sale or disposal of the undertaking or a substantial part thereof of the Company or any of its subsidiaries otherwise than for value and upon arm's length terms *DECLARING for the purposes of this provision the expression "a substantial part" shall mean assets together representing more than 50% of the book value of the tangible assets of the Company or of its subsidiary (as the case may be) as at the date of the proposed disposal: PROVIDED ALWAYS that the restriction set out in this sub-paragraph shall not apply to transactions entered into between companies which are members of the same group of companies as the Company;*
 - (iv) the calling of a meeting of the Company for the purposes of considering a resolution for amending the Memorandum or Articles of Association of the Company by the inclusion therein, by way of such amendment of provisions giving effect to any such proposal as is referred to in sub-paragraphs (i) or (ii) of this sub-Article or of provisions amending this sub-Article 2 (E); or
 - (v) the giving of any guarantee, indemnity or security in respect of the obligations of any person other than any subsidiary of the Company or any company of which the Company is a subsidiary.
3. The Directors are unconditionally authorised for the purpose of Section 80 of the Act, to exercise for a period of five years from the date of adoption of these Articles any power of the Company to allot any shares of the Company from time to time unissued (including "relevant securities" as defined in Section 80 (2) of the Act) up to the total amount of authorised share capital of the Company for the time being remaining unissued.
4. The provisions of Section 89 (1) and Sections 90 (2) to 90 (6) of the Act shall not apply to the Company and unless in any particular case the holders for the time being of 75% of the issued Ordinary Shares in the capital of the Company otherwise agree, all Ordinary Shares of the Company (whether forming part of the existing share capital of the Company or hereafter created) which it is determined to issue shall be offered in the first instance to all the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them respectively. The person to whom the offer is made may elect to accept such offer in respect of a lesser number of shares than his entitlement and to decline in respect of the balance. Such offer shall be made by notice specifying the number of shares to which each holder is entitled and prescribing a time (not being less than fourteen days) after which the offer, if not previously accepted, shall be deemed to be declined. Any shares not accepted pursuant to such offer or further offer as aforesaid shall be under the control of the Directors who may dispose of such remaining shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new Ordinary Shares which (by reason of the ratio which the shares which it is determined to issue bear to the shares held by a person entitled to receive notice as aforesaid) cannot in the opinion of the Directors be conveniently offered under this Article, and any shares not forming part of the equity share capital of the Company. For the purposes of this Article the executors or administrators of a deceased Member who was a sole holder shall be treated as the holders of the shares registered in the name of the deceased Member.
5. Subject to the provisions of the Act any shares of the Company may be issued on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member. Any shares of the Company may be purchased by the Company on such

terms and conditions as the Company, before it enters into a contract or contingent contract for the purchase of such shares, may by Special Resolution determine. A payment in respect of such a redemption or purchase by the Company may, with the sanction of a Special Resolution, be made otherwise than out of the distributable profits of the Company (within the meaning of Section 152 (1)(b) of the Act) or the proceeds of a fresh issue of shares made for the purpose of the redemption or purchase, notwithstanding that such payment may constitute a payment out of capital.

LIEN

6. The lien conferred by Regulation 8 of Table A shall attach also to fully paid up shares and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

TRANSFER OF SHARES

7. The Instrument of Transfer of any share shall be in the form recommended in The Stock Transfer Act 1963, or in such other form as the Directors shall from time to time approve and, when lodged for registration, shall be accompanied by the appropriate certificate(s) in respect of the share(s) to be transferred and such other evidence (if any) as the Directors may require to prove the title of the intending transferor.
8. All transfers of shares need to be executed by the transferor only and he shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof provided that, in the case of partly paid shares, the Instrument of Transfer must also be signed by or on behalf of the transferee.
9. (a) The Directors shall, subject to paragraph (a) of Article 10 hereof, register the transfer of any shares:-
 - (i) to any other person or persons provided such transfer is approved in writing by those Members holding not less than 75% of the Ordinary Shares in issue at that time;
 - (ii) to any other person or persons not involving a transfer of beneficial ownership of a share;
 - (iii) to a Member of the Family (as hereinafter defined) of a Member or deceased Member;
 - (iv) to any person or persons acting in the capacity of Trustee or Trustees of a trust created by a Member (by deed or will) or upon any change of Trustees of a trust so created to the new Trustee or Trustees. Provided that no such transfer shall be registered unless (a) the only person(s) beneficially interested under the trust are the Member or members of his family (and further that no person other than the Member or members of his family has power to exercise or influence the exercise of, the voting rights attaching to the shares) and (b) the Directors are satisfied on all the information submitted to them that the trust is and is intended to remain a trust, the sole purpose of which is to benefit the Member or members of his family;

- (v) by the Trustee or Trustees of a trust to which sub-paragraph (iv) above applies to any person beneficially interested under the trust being the Member or a Member of his Family;
 - (vi) to the legal personal representatives of a deceased Member where under the provisions of his will or the laws as to intestacy the persons beneficially entitled to any such shares, whether immediately or contingently, are Members of the Family of the deceased Member and by the legal personal representatives of a deceased Member to a Member or Members of the Family of the deceased Member;
 - (vii) in the case of a Member being a body corporate to a holding company or subsidiary company or a subsidiary company of any such holding company or to a body corporate which has acquired or agreed to acquire in connection with a scheme of amalgamation or reconstruction the whole or the main part of the undertaking and assets of such Member;
 - (viii) by the First Party to the Second Party or by the Second Party to the First Party.
- (b) For the purposes of paragraph (a) of this Article, but not any other paragraph:-
- (i) the word "Member" shall not include a person who holds shares only in the capacity of trustee, legal personal representative or trustee in bankruptcy but shall include a former Member in any case where the person concerned ceased to be a Member as the result of the creation of the relevant trust; and
 - (ii) the words "a Member of the Family of a Member" shall mean the husband, wife, widow, widower, child and remoter issue (including a child by adoption), parent (including adoptive parent), brother and sister (whether of the full or half blood and including a brother or sister related by adoption), and child and remoter issue of any such brother or sister (including a child by adoption), of the Member;
 - (iii) the words "holding company" and "subsidiary company" shall have the meanings ascribed to them in Section 736 of the Act.
10. (a) Notwithstanding the succeeding provisions of this Article 10, the Directors may decline to register any transfer:-
- (1) of any share on which the Company has a lien;
 - (2) of any share to a person of whom they do not approve;

Provided that if the Directors so decline to register any transfer they shall within sixty days of the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal specifying the reason(s) for same.

- (b) Save where a transfer is made pursuant to paragraph (a) of Article 9 hereof, any person proposing to transfer shares (hereinafter called "the proposing transferor") shall give notice in writing (hereinafter called "the Transfer Notice") to the

Company that he desires to transfer the same and specifying the sum which in his opinion constitutes the fair value thereof. A Transfer Notice shall, on receipt by the Company, constitute the Company the agent of the proposing transferor for the sale of all (but not some of) the shares referred to therein at the price specified therein, or at such lower price as may be determined in accordance with paragraph (d) hereof.

- (c) The shares included in any Transfer Notice shall be offered by notice in writing (hereinafter called "the Option Notice") not later than the seventh day after receipt by the Company of the Transfer Notice in the first place to the holders of Ordinary Shares as nearly as may be in proportion to the number of such shares held by them respectively. The Option Notice shall in each case specify the date of receipt by the Company of the Transfer Notice and the price specified therein and shall invite each holder of Ordinary Shares to state in his reply how many (if any) shares in excess of his proportion he desires to purchase. The Option Notice shall further limit the time in which the offer may be accepted (not being less than twenty one days from either the date of the Option Notice or the date of the Certificate of Valuation under paragraph (d) hereof whichever is the longer) and if any such Member does not before the expiry of such limit claim by notice in writing the shares offered to him they shall be used to satisfy the claims for excess shares in proportion to the existing Ordinary Shares held by the claimants respectively but so that no such claimant shall be bound to take more excess shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to such Members in proportion to their existing holdings, the same shall be offered to such members or some of them in such proportion or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit. Any Member who desires as above to purchase any shares included in a Transfer Notice is hereinafter called "the Purchaser" or "the intending Purchaser".
- (d) If an intending Purchaser or the Directors consider that the price specified in the Transfer Notice is in excess of the fair value of the shares included therein he or they shall not later than the seventh day after receipt of the Option Notice in the case of an intending Purchaser or not later than the seventh day after receipt of the Transfer Notice in the case of the Directors, request in writing that the auditor for the time being of the Company (or, with the agreement of the proposing transferor and the intending Purchaser and/or the Directors, a person nominated by the President of the Institute of Chartered Accountants in Scotland) certify in writing the sum which in his opinion is the fair value of the shares included in the Transfer Notice as at the date of the Transfer Notice in accordance with these presents and for the purpose of this Article reference to the auditor shall include any person so nominated. In making such valuation no account will be taken of any reduction in value which may be ascribed to the Shares included in the Transfer Notice by virtue of the fact that they represent a minority increase. All costs in making such valuation shall be borne by the Company. In certifying the fair value of the shares the auditor shall be considered to be acting as an expert and not as an arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply.
- (e) If a Purchaser or Purchasers shall be found for all the shares included in any Transfer Notice, the Company shall within seven days after the later of the acceptance date specified in the Option Notice and the date of the Certificate of Valuation given under paragraph (d) of this Article, give notice (hereinafter called "the Sale Notice") to the proposing transferor specifying the Purchaser(s)

of such shares and the price payable, being the lower of the price specified in the Transfer Notice and the fair value determined as aforesaid. If the fair value determined as aforesaid is less than the price specified in the Transfer Notice the proposing transferor shall within seven days of receipt of the Sale Notice, require to give notice in writing to the Company stating whether he is prepared to transfer the shares in pursuance of the Sale Notice. If he gives notice stating that he is not prepared so to transfer the shares the Transfer Notice shall be deemed to be revoked, the Company shall no longer be the agent of the proposing transferor for the sale of the shares and the proposing transferor shall forthwith reimburse the Company the full costs incurred in determining the fair value as aforesaid. If he gives notice stating that he is prepared to transfer the shares in pursuance of the Sale Notice, or if he omits to give any such notice within such period of seven days aforesaid or if the price specified in the Sale Notice is not less than the price specified in the Transfer Notice, the proposing transferor shall transfer the shares to the Purchaser(s) against payment or the tendering of payment of the relevant price and the Directors shall register any transfer pursuant to this paragraph.

- (f) If in any case the proposing transferor, after having become bound as aforesaid makes default in transferring any shares included in the Transfer Notice, the Company may receive the purchase money on his behalf and may authorise some person to execute a transfer of such shares in favour of the Purchaser(s) who shall thereupon be registered as the holder(s) thereof. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser(s).
- (g) If the Company shall not give a Sale Notice to the proposing transferor he shall, not later than the thirtieth day after the expiry of the time allowed for giving a Sale Notice, be at liberty to transfer all or any of the shares included in the Transfer Notice to any person pursuant to a *bona fide* sale at any price not less than the price specified in the Transfer Notice or the fair value determined as aforesaid (whichever is the lower) and the proposing transferor shall not be required to give a Transfer Notice in respect thereof during the said period of thirty days.

TAG ALONG RIGHTS

- 11.1 No sale or transfer of the legal or beneficial interest in any shares may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company or by any person or group of persons, acting in concert (not being a member of the Company) unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all of the Ordinary Shares then in issue at the Relevant Price (calculated as set out below) and (if not redeemed) all of the Preference Shares at par together with all arrears and accruals of dividends of the Preference Shares.

DRAG ALONG RIGHTS

- 11.2 If within 60 days of any company or any person (other than one or more of the members of the Company (or persons acting in concert with them) ("the Offeror") making an offer to acquire the entire issued share capital of the Company (on the terms that all of the Ordinary Shares then in issue will be acquired at the Relevant Price (calculated as set out below)) ("an Offer"), the Offeror has received acceptances of an Offer which would result in the Offeror acquiring at least 75% of the Ordinary Shares then, if the holders of not less than 75% of the Ordinary Shares so agree in writing with the Offeror;

11.2.1 the Offeror shall extend the Offer to those members who have not accepted the Offer requiring them to do so (and shall offer to purchase all the Preference Shares which have not yet been redeemed at a price per Preference Share of £1 plus any arrears and accruals of dividends on the Preference Shares; and

11.2.2 each of such non-accepting members and the members holding Preference Shares shall upon such Offer being made to them (but subject to the proviso below) be deemed to have accepted the same in respect of all shares in the Company held by him in accordance with the terms of the Offer.

PROVIDED that nothing in this Article 11.2 shall require any non-accepting member to give any warranties or representations (other than as to its title to its shares) in connection with such sale.

11.3 If any such non-accepting member as is referred to in Article 11.2 shall not, within 14 days of becoming required to do so, execute transfers in respect of the shares held by such member, then the Directors shall be entitled to, and shall, authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such member) of the purchase moneys payable for the relevant shares, deliver such transfer(s) to the Offeror (or its agents) and register the Offeror (or its nominees) as the holder thereof, and after the Offeror (or its nominees) has been registered as the holder thereof the validity of such proceedings shall not be questioned by any person.

11.4 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 11.

11.5 For the purpose of this Article 11:-

11.5.1 the expression 'a Controlling Interest' shall mean an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 75% or more of the total voting rights conferred by all the issued shares in that company and 'Control' and "Controlled" shall be construed accordingly;

11.5.2 the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment;

11.5.3 the expression 'acting in concert' shall have the meaning ascribed to it in the December 1996 Edition of the City Code on Takeovers and Mergers; and

11.5.4 the expression 'the Relevant Price' shall mean the consideration (in cash or otherwise) per Ordinary Share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other Ordinary Shares in the Company plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares . If any part of the price per share is payable otherwise than by cash each holder of Ordinary Shares may, at their option, elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole. In the event of disagreement the calculation of the Relevant Price shall be referred to an umpire (acting as an expert and not as an arbiter)

nominated by the parties concerned or in the event of disagreement as to nomination, appointed at the request of the Board of Directors by the President for the time being of the Institute of Chartered Accountants of Scotland.

FORFEITURE OF SHARES

12. In Regulation 18 of Table A the words "and all expenses that may have been incurred by the Company by reason of such non-payment" shall be added at the end of the first sentence.

GENERAL MEETINGS

13. Every notice convening a General Meeting shall comply with the provisions of Section 372 (3) of the Act as to giving information to members in regard to their right to appoint proxies.
14. Subject as hereinafter provided if at any adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting, the meeting shall be dissolved. Provided that if a meeting to consider only a Resolution or Resolutions of the winding-up of the Company and the appointment of a Liquidator be adjourned, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting, such of the members present in person or by proxy shall constitute a quorum. Regulation 41 of Table A shall be modified accordingly.
15. In Regulation 43 of Table A the words "the members present" shall be held to be delete and the words "the persons present, being members or representatives of corporate members or proxies for members" shall be inserted in lieu thereof.
16. In Regulation 46 of Table A, paragraphs (b) to (d) inclusive shall be held to be delete and the words "(b) by any representative or any member present in person or by proxy and entitled to vote" shall be inserted in lieu thereof.

VOTES OF MEMBERS

17. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles of Association, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every £1 in nominal amount of shares in the capital of the Company of which he is the holder.
18. It shall suffice that Instruments appointing proxies be deposited at the Registered Office of the Company at least twenty four hours before the time for holding the meeting, and Regulation 62 of Table A shall be modified accordingly.

DIRECTORS

19. The minimum number of the Directors shall be determined by the Company in General Meeting but failing such determination shall be one. In the event of the minimum number of Directors fixed by or pursuant to these Articles or Table A being one, a sole Director shall have authority to exercise all the powers and discretions by Table A or these Articles expressed to be vested in the Directors generally.

20. A Director shall not be required to hold shares of the Company in order to qualify for office as a Director but he shall be entitled to receive notice of and attend and speak at every General Meeting of the Company and at every separate meeting of the holders of any class of shares in the capital of the Company.

ALTERNATE DIRECTOR

21. Any Director may at any time appoint any person to be his Alternate (hereinafter called an "Alternate Director") and may at any time terminate such appointment.
22. The appointment of an Alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director concerned (hereinafter called "his principal") ceases to be a Director.
23. An Alternate Director shall be entitled to receive notice of Meetings of the Directors and to attend and, where applicable, vote as a Director and to be counted in the quorum at any such Meeting at which his principal is not personally present and generally at such Meetings to perform all functions of his principal as a Director. If his principal is for the time being unable to act through ill health or disability his signature to any Resolution in writing of the Directors shall be as effective as the signature of his principal. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles, but he shall, in the execution of his duties as aforesaid, be subject to the provisions of the Articles with regard to Directors.
24. An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive any remuneration from the Company in respect of his appointment as Alternate Director.

DIRECTORS' BORROWING POWERS

25. Subject as hereinafter provided the Directors may exercise all the powers of the Company (whether express or implied):-
- (a) of borrowing or securing the payment of money;
 - (b) of guaranteeing the payment of money and the fulfillment of obligations and the performance of contracts; and
 - (c) of mortgaging or charging the property, assets and uncalled capital of the Company and (subject to Section 80 of the Act) issuing debentures.

DIRECTORS' INTERESTS

26. No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, lessor, customer or otherwise nor shall any such contract or any contract or any transaction or arrangement (whether or not constituting a contract) entered into with or by or on behalf of the Company with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract, transaction or arrangement by reason only of such Director holding that office or of the fiduciary relationship thereby established, provided that the fact of his being interested therein and

the nature of his interest be disclosed by him at the Meeting of Directors at which the contract, transaction or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest: and such Director may vote and have his vote counted in respect of any such contract, transaction or arrangement and shall be counted in the quorum present at the meeting. Provided, if the Director be a sole Director or if all the Directors be interested in the contract, transaction or arrangement, the contract, transaction or arrangement may only be entered into by the Company pursuant to a Resolution of the Members in General Meeting, and before the contract, transaction or arrangement is entered into the Director or Directors must disclose his or their interest to such General Meeting.

27. (a) For the purposes of Article 26:-

- (i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction or arrangement in which specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
 - (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- (b) If a question arises at a Meeting of Directors or of a Committee of Directors as to the right of a Director to vote, the question may before the conclusion of the Meeting, be referred to the Chairman of the Meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

GRATUITIES AND PENSIONS

28. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory pension or superannuation funds for the benefit of any employee (including any Director of the Company and their spouses and dependants) and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any company which is the holding or a subsidiary company of the Company whether or not they have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons, and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid and make payments for or towards the insurance of any such persons as aforesaid and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object and do any of the matters aforesaid either alone or in conjunction with any such other company aforesaid. Any Director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument and may vote in favour of the exercise of any of the powers aforesaid notwithstanding that he is or may become interested therein.

DISQUALIFICATION OF DIRECTORS

29. Subject to the other provisions of these Articles, the office of Director shall be vacated if the Director:-

- (a) becomes apparently insolvent, or makes any arrangement or composition with his creditors generally;
- (b) is or may be suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health (Scotland) Act, 1984; or
 - (ii) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curate bonis or other person to exercise powers with respect to his property or affairs;
- (c) resigns his office by notice in writing to the Company;
- (d) has his appointment cancelled by the Company in General Meeting;
- (e) becomes prohibited by law from being a Director or ceases to be a Director by virtue of any provision of the Act; or
- (f) shall for more than six months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated.

ROTATION OF DIRECTORS

- 30. The Directors nominated or otherwise shall not be subject to retirement by rotation and accordingly Regulations 73 to 75 of Table A shall not apply and in Regulation 76 the words "other than a Director retiring by rotation" shall be deleted and all other reference in Table A to retirement by rotation shall be disregarded.

PROCEEDINGS OF DIRECTORS

- 31. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. A Director may and the Secretary at the request of a Director shall call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. A Director who is also an Alternate Director shall be entitled in the absence of his principal to a separate vote on behalf of his principal in addition to his own vote.
- 32. Subject to Article 19 the quorum necessary for the transaction of all business of the Directors shall be two Directors present in person or represented by an Alternate Director appointed under Article 21 hereof.
- 33. A Resolution in writing, signed or approved by letter or facsimile transmission by all the Directors entitled to receive notice of a Meeting of Directors or by a sole Director or by all the members of a committee or by a sole member of a committee shall be as valid as a Resolution duly passed at a Meeting of the Directors or of such a committee. When signed, a Resolution may consist of several documents each signed by one or more of the persons aforesaid. A Resolution signed by an Alternate Director need not also be signed by his principal and if it is signed by a Director who has appointed an Alternate Director it need not be signed by the Alternate Director in that capacity.

ACCOUNTS

34. The Accounts and other documents to be prepared by the Directors shall be prepared in accordance with the Act.

NOTICES

35. Every notice to be given by the Company will be sent by pre-paid letter post to the registered address, or, if appropriate, to the address for the time being supplied for the purpose to the Secretary of the Company by the person entitled to receive the same; every notice to be sent by letter post to an address within the United Kingdom shall be deemed to have been served on the expiry of twenty four hours from the time of posting and every notice to be sent by Airmail to an address outwith the United Kingdom shall be deemed to have been served on the expiry of ten days from the time of posting. In the case of joint holders of a share all notices shall be given to the joint holders whose name stands first in the Register of Members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives the Company an address within the United Kingdom at which notices may be given to him, shall be entitled to have notices given to him at that address.

WINDING-UP

36. If the Company shall be wound-up any Director, Agent, Trustee or Member of the Company alone or jointly with any other person may become a purchaser of property belonging to the Company.

INDEMNITY

37. Every Director or other Officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liability which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in conjunction with any application under Section 727 of the Act, in which relief is granted to him by the Court and no Director or other officer shall be liable for any loss damage or misfortune which may happen to be incurred by the Company in the execution of the duties of his office or in relation thereto. But these Articles shall only have effect in so far as the provisions are not avoided by Section 310 of the Act.
38. The Directors may from time to time require any person whose name is entered in the Register of Members of the Company to furnish them with any information which they may consider necessary for the purpose of determining whether or not the Company is a Close Company within the meaning of Section 414 of Income and Corporation Taxes Act, 1988; and if such requirement is not complied with they may withhold any dividends or other payments due or becoming due in respect of the shares registered in the name of such person.