

G

COMPANIES FORM No. 12

Statutory Declaration of compliance with requirements on application for registration of a company

12

Please do not
write in
this margin

Pursuant to section 12(3) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

For official use

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1990871

Name of company

* MERSEYSIDE TRANSPORT LIMITED

* Insert full
name of Company

I, DAVID RICHARD INCEY
of 15, PENBOURNE ROAD, CLIFTON, BRISTOL

† delete as
appropriate

del
NML

do solemnly and sincerely declare that I am a [Solicitor engaged in the formation of the company]†
~~[person named as director or secretary of the company in the statement delivered to the registrar~~
~~under section 10(2)]†~~ and that all the requirements of the above Act in respect of the registration of the
above company and of matters precedent and incidental to it have been complied with,

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835

Declared at RICHMOND HILL,
CLIFTON, BRISTOL

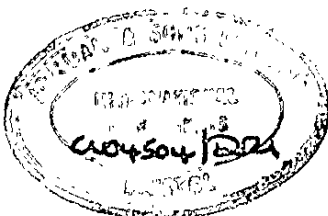
Declarant to sign below

the Seventeenth day of January
One thousand nine hundred and Eighty six
before me NM Langley

D.R. Incey

A Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths.

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JordansJORDAN & SONS LIMITED
JORDAN HALLS
BRUNSWICK
LONDON W1 3EL
TELEPHONE 01 257 3030
TELEX 261010Presenter's name address and
reference (if any):

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New Companies Section

Post room



THE COMPANIES ACT 1985

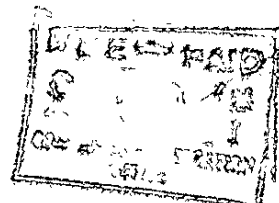
PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

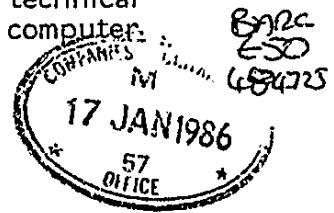
MERSEYSIDE TRANSPORT LIMITED

1. The Company's name is "MERSEYSIDE TRANSPORT LIMITED".
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:-

(a) (i) To carry on both within and outside the United Kingdom all or any of the businesses of proprietors, operators, hirers and letters on hire of and dealers in public service vehicles and motor vehicles of every description including buses, trams, mini-buses, trolleybuses, motor coaches, minicabs, taxicabs and all other vehicles appropriate for the conveyance by road of passengers, goods, wares, merchandise and produce of all kinds; organisers and conductors of bus, coach, and other vehicular journeys, stages, excursions, trips, tours and the like; providers of refreshment, catering and the like; travel, tourist and ticket agents and specialists; providers and operators of holiday and holiday tours; transport, haulage, storage and cartage contractors; designers, builders, constructors and repairers of, agents for the sale and purchase, exchange, or hire of, and dealers in buses, coaches and vehicles and conveyances of every description; proprietors and operators of garages, repairing and other depots bus stations car parks and the like; dealers in diesel fuel, petrol, motor spirit and other mineral oils and proprietors of stores and depots for the supply thereof, bus, coach, carriage and body builders, panel beaters, welders, cellulose and paint sprayers, painters, enamellers, wood fibreglass plastics and metal workers, motor, electrical, mechanical, consulting and general engineers, and automotive examiners, contractors, designers, manufacturers, factors, repairers and service agents, proprietors of staff canteens, rest and recreation rooms and general merchants, agents, factors and traders; and to buy, sell, manufacture, install, maintain, repair, hire, let on hire, and deal in plant, machinery, engines, components, parts, tools, appliances, materials, accessories, articles, commodities, produce and things of all kinds and of every description capable of being used for the purpose of the foregoing businesses or any of them, or likely to be required by customers of, or persons having dealings with the Company; and to advance the skill, education and training of persons whether or not employed by the Company; and to provide administrative, professional, technical advice or assistance, including research services and computer systems and facilities to any person.



1990871



(ii) To carry on any activities which appear to the Company to be incidental to or connected with carrying on any of the above businesses, or to be capable of being conveniently carried on in association with any such businesses, including activities of any description in or for the purposes of the provision of any service formerly provided by Merseyside Passenger Transport Executive ("the Executive") in exercise of any of their powers under Section 10(1) of the Transport Act 1968 for the carriage of passengers either by road or by any form of water transport.

(iii) To acquire and take over all such property, rights or liabilities of the Executive or of any wholly-owned subsidiary of the Executive as may be pursuant to Section 59 of the Transport Act 1985 transferred to and vested in the Company.

None of the objects set out in any paragraph of sub-clause 3(a) shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such paragraph, or by reference to or inference from the terms of any other paragraph or the name of the Company; and none of the paragraphs of sub-clause 3(a) and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such paragraph, and the Company shall have as full a power to exercise each and every one of the objects specified in each such paragraph as though it contained the objects of a separate company.

In furtherance of the above objects but not further or otherwise the Company shall have the following powers:-

(b) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

(c) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

(d) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares,

debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

(e) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

(f) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.

(g) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

(h) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

(i) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

(j) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(k) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.

(i) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

(m) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.

(n) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

(o) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

(p) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

(q) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.

(r) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.

(s) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or

benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the spouses, widows, widowers, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their spouses, widows, widowers, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

(t) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.

(u) To distribute among the Members of the Company in kind any property of the Company of whatever nature.

(v) To do all or any of the things or matters aforesaid either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

AND SO THAT:-



(1) The word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

(2) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act or of the Transport Act 1985 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

4. The liability of the Members is limited.

5. The Company's share capital is £100 divided into 100 shares of £1 each.

We, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum, and we agree to take the number of shares shown opposite our respective names.

Names and addresses of Subscribers	Number of shares taken by each Subscriber
MERSEYSIDE PASSENGER TRANSPORT EXECUTIVE, 24, HATTON GARDEN, LIVERPOOL L3 2AN	99
whose Common Seal was hereunto affixed in the presence of	
 Secretary	
Richard Jeremy DUFFY, 15, Oakridge Close, Bromborough, Wirral, Merseyside, L62 2AT	1
	
Total shares taken	100

Dated 16 January 1986

Witness to the above Signatures,

P.M. Tessyman,
50, Silverlea Avenue,
Wallasey,
Merseyside.

THE COMPANIES ACT 1985

1990871

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

MERSEYSIDE TRANSPORT LIMITED

PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

ALLOTMENT OF SHARES

2. (a) All shares shall be under the control of the Directors who may (subject to Section 80 of the Act and to paragraph (c) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

(b) In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

(c) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

SHARES

3. The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and

paramount lien on all shares, whether fully paid or not, standing 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, for all moneys presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.

4. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

GENERAL MEETINGS AND RESOLUTIONS

5. (a) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

(b) 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; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

6. (a) Clause 40 in Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence.

(b) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(c) Clause 41 in Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

7. (a) Clause 64 in Table A shall not apply to the Company.

(b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be three.

(c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.

(d) No person shall be appointed a Director at any General Meeting unless either:-

(i) he is recommended by the Directors; or

(ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.

(e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

(f) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force.

BORROWING POWERS

8. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

9. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.

(b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

DISQUALIFICATION OF DIRECTORS

10. The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Clause 81 in Table A shall be modified accordingly.

GRATUITIES AND PENSIONS

11. (a) The Directors may exercise the powers of the Company conferred by Clause 3(s) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

(b) Clause 87 in Table A shall not apply to the Company.

INDEMNITY

12. (a) Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

(b) Clause 118 in Table A shall not apply to the Company.

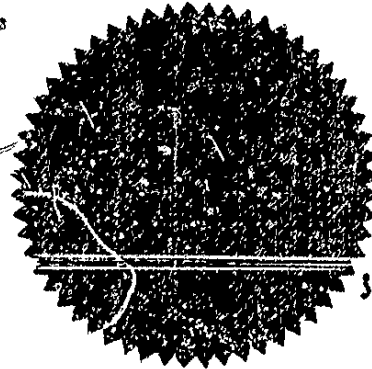
Names and Addresses of Subscribers

MERSEYSIDE PASSENGER TRANSPORT EXECUTIVE,
24, HATTON GARDEN, LIVERPOOL,
L3 2AN

whose Common Seal was
hereunto affixed in the
presence of

R-J- 

Secretary



Richard Jeremy DUFFY,
15, Oakridge Close,
Bromborough, Wirral,
Merseyside, L62 2AT

R-J- 

Dated 16 January 1986

Witness to the above Signatures,

P.M. Tessyman.
50, Silverlea Avenue,
Wallasey,
Merseyside.

G

COMPANIES FORM No. 10

Statement of first directors
and secretary and intended
situation of registered office

10

Please do not
write in
this margin.

Pursuant to section 10 of the Companies Act 1985

To the Registrar of Companies

Please complete
legibly, preferably
in black type, or
bold block lettering

For official use

1990871

Name of company

* MERSEYSIDE TRANSPORT LIMITED

* Insert full name
of company

The intended situation of the registered office of the company on incorporation is as stated below

24, HATTON GARDEN	
LIVERPOOL	
Postcode	L3 2AN

If the memorandum is delivered by an agent for the subscribers of the
memorandum please mark 'X' in the box opposite and insert
the agent's name and address below

X

JORDAN & SONS LIMITED	
15, PEMBROKE ROAD,	
BRISTOL	Postcode BS8 3BA

Number of continuation sheets attached (see note 1)

--

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Jordans

JORDAN & SONS LIMITED
JORDAN HOUSE
BRUN SWICK PLACE
LONDON W1 4EE
TELEPHONE 01 253 3030
TELEX 261010



Presentor's name address and
reference (if any):



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General Section

Post room



The name(s) and particulars of the person who is, or the persons who are, to be the first director or directors of the company (note 2) are as follows:

Please do not write in this margin

Name (note 3) Leslie William LATTE		Business occupation Director
Previous name(s) (note 3)		Nationality British
Address (note 4) "Clarkston"		Date of birth (where applicable) (note 6)
66A, Freshfield Road, Formby	Postcode L37 7BQ	
Other directorships † Merseyside Passenger Transport Services Limited		
I consent to act as director of the company named on page 1		
Signature <i>[Signature]</i>		Date 15 January 1986

† enter particulars of other directorships held or previously held (see note 5) if this space is insufficient use a continuation sheet.

Name (note 3) Samir RIHANI		Business occupation Director
Previous name(s) (note 3)		Nationality British
Address (note 4) 3, Cooper Avenue North,		Date of birth (where applicable) (note 6)
Mossley Hill, Liverpool	Postcode L18 4PE	
Other directorships † Merseyside Passenger Transport Services Limited		
I consent to act as director of the company named on page 1		
Signature <i>[Signature]</i>		Date 15 January 1986

Name (note 3) William Gwynfor THOMAS		Business occupation Director
Previous name(s) (note 3)		Nationality British
Address (note 4) 289, Telegraph Road,		Date of birth (where applicable) (note 6)
Heswall, Wirral	Postcode L60 6RN	
Other directorships † Merseyside Training Council		
I consent to act as director of the company named on page 1		
Signature <i>[Signature]</i>		Date 15 January 1986

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold black lettering

The name(s) and particulars of the person who is, or the persons who are, to be the first secretary, or joint secretaries, of the company are as follows:

Name (notes 3 & 7) Richard Jeremy DUFFY		
Previous name(s) (note 3)		
Address (notes 4 & 7) 15, Oakridge Close,		
Bromborough, Wirral		Postcode L62 2AT
Merseyside		
I consent to act as secretary of the company named on page 1		
Signature R-J. Duffy		Date 15 January 1986

Name (notes 3 & 7)		
Previous name(s) (note 3)		
Address (notes 4 & 7)		
		Postcode
I consent to act as secretary of the company named on page 1		
Signature		Date

delete if the form is
signed by the
subscribers

D.R. Lupton PP JOHNSON & SONS limited	
Signature of agent on behalf of subscribers	Date 16th January 1986

delete if the form is
signed by an agent on
behalf of the
subscribers.

All the subscribers
must sign either
personally or by a
person or persons
authorised to sign
for them.

Signed	Date
Signed	Date
Signed	Date
Signed	Date
Signed	Date
Signed	Date

FILE COPY



CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

No. 1999371

I hereby certify that

MERSEYSIDE TRANSPORT LIMITED

is this day incorporated under the Companies Act 1985 as a
private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the

18TH FEBRUARY 1986


MRS. C. R. WILLIAMS

an authorised officer

G

COMPANIES FORM No. 224

Notice of accounting reference date
(to be delivered within 6 months of
incorporation)

224

Please do not
write in
this margin

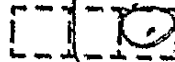
Pursuant to section 224 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

Please complete
legibly, preferably
in black type, or
bold block lettering



1990871

Name of company

* MERSEYSIDE TRANSPORT LIMITED

* Insert full name
of company

gives notice that the date on which the company's accounting reference period is to be treated as
coming to an end in each successive year is as shown below:

Important
The accounting
reference date to
be entered along-
side should be
completed as in the
following examples:

Day Month

3 0 0 9

5 April
Day Month

0 5 0 4

30 June
Day Month

3 0 0 6

31 December
Day Month

3 1 1 2

† Delete as
appropriate

Signed *M Kelly*

[Director][Secretary]† Date 11/8/1986.

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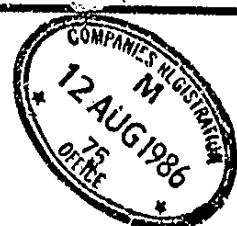


Presentor's name address and
reference (if any):

M Kelly
Merseyside Passenger
Transport Executive
24 Hatton Garden
Liverpool L3 2AN

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Post room



G

COMPANIES FORM No. 123

Notice of increase in nominal capital

123

Please do not
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this margin

Pursuant to section 123 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

Please complete
legibly, preferably
in black type, or
bold black lettering

[] [] [] [] []

1990871

Name of company

* MERSEYSIDE TRANSPORT LIMITED

* Insert full name
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated 3rd November 1986 the nominal capital of the company has been
increased by £ 19,133,900 beyond the registered capital of £ 100

A copy of the resolution authorising the increase is attached. §

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new
shares have been or are to be issued are as follow:

§ the copy must be
printed or in some
other form approved
by the registrar

Please tick here if
continued overleaf

☐

† delete as
appropriate

Signed M. C.

~~(Director)~~ [Secretary] † Date 7 November 1986

PRINTED AND SUPPLIED BY

Jordans

JORDAN & SONS LIMITED
JORDAN HOUSE
BRUNSWICK PLACE
LONDON N1 6EE
TELEPHONE 01 253 3030
TELEX 267010

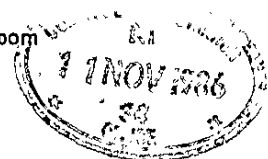


Presenter's name address and
reference (if any):

For official Use

General Section

Post room



MERSEYSIDE TRANSPORT LIMITED

(Company Number 1990871) 13

I certify that the following ordinary resolution was passed at an extraordinary general meeting of the above Company held on the 3rd day of November 1986.

"The capital of the Company be increased from £100 divided into 100 ordinary shares of £1 each to £19,134,000 by the creation of an additional 19,133,900 ordinary shares of £1 each."

M Kelly

M Kelly

Secretary



G

COMPANIES FORM No. 225(1)

Notice of new accounting reference date given during the course of an accounting reference period

225(1)

Please do not write in this margin

Pursuant to section 225(1) of the Companies Act 1985 as amended by Schedule 13 to the Insolvency Act 1986

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies

For official use

Company number

Name of company

[] [] [] []

1990271

* Insert full name of company

* MERSEYSIDE TRANSPORT LIMITED

gives notice that the company's new accounting reference date on which the current accounting reference period and each subsequent accounting reference period of the company is to be treated as coming, or as having come, to an end is

Day Month

3 1 0 3

Note Please read notes 1 to 5 overleaf before completing this form

The current accounting reference period of the company is to be treated as ~~shortened~~ [extended]† and ~~is to be treated as having come to an end~~ [will come to an end]† on

Day Month Year

3 1 0 3 1 9 8 8

† delete as appropriate

If this notice states that the current accounting reference period of the company is to be extended, and reliance is being placed on section 225(6)(c) of the Companies Act 1985, the following statement should be completed:

The company is a [subsidiary][holding company]† of

the accounting reference date of which is , company number

If this notice is being given by a company which is subject to an administration order and this notice states that the current accounting reference period of the company is to be extended AND it is to be extended beyond 18 months OR reliance is not being placed on section 225(6) of the Companies Act 1985, the following statement should be completed:

An administration order was made in relation to the company on and it is still in force.

Signed M. Keen

Designation† SECRETARY

Date 4/8/87

Presenter's name address and reference (if any):

For official Use
General Section

Postroom
COMMUNITY RELATIONS
- 6 AUG 1987
M C 49

Insert Director, Secretary, Receiver, Administrator, Administrative Receiver or Receiver (Scotland) as appropriate

PRINTED AND SUPPLIED BY

JORDANS

JORDAN & SONS LIMITED
10, THE SQUARE, LONDON, E.C.4
TELEPHONE: 01-479 4000
FAX: 01-479 4001



Company No. 1990871

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

RESOLUTION

- of -

MERSEYSIDE TRANSPORT LIMITED

Passed 6th January 1993

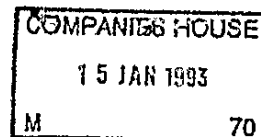
AT an Extraordinary General Meeting of the Company duly convened and held at Edge Lane, Liverpool on the above date the following Resolution was duly passed as a Special Resolution of the Company.

SPECIAL RESOLUTION

That in place of its existing Articles of Association the Company adopt the new Articles of Association contained in the document then produced and signed by the Chairman of the Meeting for identification.

Signed 

Chairman of the Meeting



THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

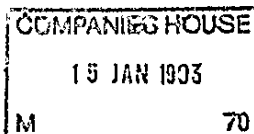
- of -

MERSEYSIDE TRANSPORT LIMITED

(as adopted by Special Resolution dated 6th January 1993)

Company No : 1990871

Incorporated : 18th February 1986



I N D E X

<u>SUBJECT</u>	<u>ARTICLE NO.</u>
Interpretation	1.
Share Capital	2.
Lien	10.
Calls on Shares and Forfeiture	14.
Transfer of Shares	25.
Transmission of Shares	31.
Alterations of Share Capital	34.
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General Meetings	38.
Notice of General Meetings	40.
Proceedings at General Meetings	42.
Votes of Members	55.
Number of Directors	65.
Alternate Directors	66.
Powers of Directors	72.
Delegation of Directors' Powers	74.
Disqualification and removal of Directors	81.
Remuneration of Directors	82.
Directors' Expenses	83.
Managing Director and Other Executive Appointments	84.
Directors Gratuities and Pensions	85.
Notice for Board Meetings	86.
Chairman	88.
Defects in Appointment	89.
Proceedings of Directors	90.

SUBJECTARTICLE NO.

Quorum for Board Meetings	92.
Written Resolutions of Directors	93.
Interests of Directors	99.
Matters Requiring Special Board Approval or Board Approval	102.
Minutes	103.
Secretary	104.
Borrowing Powers	105.
The Seal	106.
Dividends	107.
Accounts	114.
Notices	115.
Winding Up	122.
Indemnity	123.
Over-riding Provisions	124.

THE COMPANIES ACTS 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

MERSEYSIDE TRANSPORT LIMITED

(adopted by Special Resolution dated 6th January 1993)

INTERPRETATION

1.1 In these regulations:-

"the 1985 Act" means the Companies Act 1985.

"the 1989 Act" means the Companies Act 1989.

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

"Admitted Group Company" means the Parent Company, Merseyside Transport Limited and any Group Company which is a company which for the time being the members of the Parent Company have resolved shall be an admitted Group Company in accordance with the Articles of Association of the Parent Company.

"the Articles" means the Articles of the Company.

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"Director Related Contract" means any contract, transaction or arrangement with a director of the Company (other than directors service contracts and contracts, transactions or arrangements which provide a director with a fair and reasonable reward for his services to the Company whether by way of remuneration or benefits in kind) or with the spouse or child of a director or with any company not a member of the Group of which any director of the Company or any spouse or child of such a director is a director or a shareholder holding more than 5% of that company's share capital.

"executed" includes any mode of execution.

"Group Company" means the Parent Company and any company which is for the time being a subsidiary of the Parent Company but so that a company which has ceased to be such a subsidiary shall no longer be regarded as a Group Company; "Group" shall be construed accordingly.

"holding company" and "subsidiary" have the meanings ascribed by Section 736 of the 1985 Act as amended by Section 144 of the 1989 Act and as if the latter Section had been brought into force at the date of the adoption of these Articles.

"office" means the registered office of the Company.

"Parent Company" means MTL Trust Holdings Limited.

"Qualified Employee" has the meaning ascribed by the Articles of the Parent Company.

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

"Special Board Approval" means a resolution of the Board of the Company in accordance with Article 102.

"the holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares.

"the seal" means the common seal of the Company.

"the United Kingdom" means Great Britain and Northern Ireland.

"Transaction Ratio" means the ratio (expressed as a percentage of the relevant amount) determined by a comparison of any one of the following bases:-

- (a) the value of the assets acquired or disposed of compared with the assets of the Group;
- (b) net profits (after deducting all charges except taxation and excluding extraordinary items) attributable to the assets acquired or disposed of compared with these and (for the avoidance of doubt) a person is deemed to cease to be an employee of a Group Company if the company by which he is employed ceases to be a Group Company of the Group;
- (c) the aggregate value of the consideration given or received compared with the assets of the Group

in each case as shown in the latest Audited Consolidated Balance Sheet of the Company.

1.2 References to Articles mean the Articles contained in these Articles of Association.

Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the company.

1.3 The Regulations contained in Table A shall not apply to the Company.

SHARE CAPITAL

2. At the date of adoption of these Articles the authorised share capital of the Company is £19,134,000 divided into 19,134,000 Ordinary Shares of £1 each.

3. Unless authorised by a Resolution of the Parent Company passed as Members Special Voting Business in accordance with its Articles and in accordance with Article 124 the directors shall not allot relevant securities (within the meaning of Section 80(2) of the Act) or any other shares in the Company no relevant security shall be issued to anyone other than the Parent Company.

4. Subject to the provisions of the Act and without prejudice to Article 3 any share may be issued with such rights or restrictions as the Company may determine in accordance with a resolution as referred to in that Article.

5. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the Articles.

6. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

8. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

9. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

10. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

11. The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

12. To give effect to a sale the directors may authorise some person to execute an instrument to transfer the shares sold to, or in accordance with the direction of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

13. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

14. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

15. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

17. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.

18. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a

call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.

19. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

20. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

21. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or moneys payable in respect of the forfeited shares and not paid before the forfeiture.

22. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.

23. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

24. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

25. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

26.(A) Subject to Article 124 the directors may, in their absolute discretion and without giving any reason therefor, decline to register any transfer of any share whether or not it is a fully paid share.

(B) The directors may refuse to register a transfer unless:-

(a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of shares; and

(c) it is in favour of not more than four transferees.

27. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

28. The registration of transfer of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.

29. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

30. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

31. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which has been jointly held by him.

32. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

33. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

ALTERATIONS OF SHARE CAPITAL

34. The Company may by ordinary resolution:-

- (a) increase its share capital by new shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

35. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

36. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

37. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

38. All general meetings other than annual general meetings shall be called extraordinary general meetings.

39. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

NOTICE OF GENERAL MEETINGS

40. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen days' notice but a general meeting may be called by shorter notice if it is so agreed:-

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

41. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

42. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall consist of one or more members holding a majority in nominal value of the issued ordinary shares of the Company, present in person or by proxy or (in the case of a corporation) by a duly authorised representative.

43. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman of the Board of Directors nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

44. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

45. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

46. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

47. A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-

(a) By the chairman; or

(b) by any member having the right to vote at the meeting; and a demand by a person as proxy for a member shall be the same as a demand by the member.

48. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

49. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

50. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

51. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote.

52. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a

show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand has not been made.

53. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

54. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

55. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member shall have one vote for every share of which he is the holder.

56. In the case of joint holders 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 holders stand in the register of members.

57. A member in respect of whom an order had been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

58. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

59. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

60. On a show of hands or a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

61. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

" Merseyside Transport Limited

I/We, , of
being a member/members of the above-named
company, hereby appoint
of or
failing him, of
as my/our proxy to vote in my/our name[s] and on my/our behalf at the
annual/extraordinary general meeting of the company to be held on
19 , and at any adjournment thereof.
Signed on 19 ."

62. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

" Merseyside Transport Limited

I/We , of
, being a member/members of the
above-named company, hereby appoint
of
, or failing him,
of , as my/our proxy to vote in
my/our name[s] and on my/our behalf at the annual/extraordinary
general meeting of the company to be held on 19
, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against
Resolution No. 2 *for *against.

Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this day of 19 ."

63. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:-

- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting, at which the poll was demanded to the chairman or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

64. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER OF DIRECTORS

65.1 Unless otherwise determined by ordinary resolution of the Company the number of directors shall be a minimum of three and maximum of eleven of whom not more than 6 shall be 'A' Directors and not more than 5 shall be 'B' Directors.

65.2.1 No person shall be eligible to become nor shall he continue as an 'A' Director unless he is an 'A' Director of the Parent Company. No person shall be appointed nor subject to the Act shall he be removed as an 'A' Director unless his appointment or removal has been approved by a majority of the 'A' Directors of the Parent Company

65.2.2 No person shall be eligible to become nor shall he continue as a 'B' Director unless he is a 'B' Director of the Parent Company. No person shall be appointed nor subject to the Act shall he be removed as a 'B' Director unless his appointment or removal has been approved by a majority of the 'B' Directors of the Parent Company

65.3.1 The Parent Company shall have the power from time to time and at any time to appoint as an 'A' Director or a 'B' Director such persons who are eligible under these Articles to act as an 'A' Director or 'B' Director respectively of the Company subject to the maximum numbers laid down by these Articles either as an additional Director or to fill a vacancy and subject to Article 65.2 to remove any Director so appointed. The Parent Company shall exercise such power in accordance with any decision from time to time of the majority of the relevant class of the Directors of the Parent Company.

65.3.2 Any such appointment or removal shall be effected by an instrument in writing signed by a Director of the Parent Company who shall be one of its 'A' Directors in the case of the appointment or removal of an 'A' Director of this company and one of its 'B' Directors in the case of the appointment or removal of a 'B' Director and in either case

nominated for that purpose by a majority decision of the Directors of the Parent Company of that class and appointment or removal shall take effect upon lodgement at the Registered Office of the Company.

ALTERNATE DIRECTORS

66. Any director (other than an Alternate Director) may appoint any other director willing to act, to attend at any specified board meeting or meetings of which notice has been given to him and to act as an Alternate Director at such meeting and may remove from office an Alternate Director so appointed by him but the alternate shall be if his appointer is an 'A' director one of the 'A' directors and if a 'B' director one of the 'B' directors.

67. An Alternate Director shall be entitled in the absence of the person appointing him to attend and vote at the meeting or any adjournment thereof which he has been appointed to attend, and generally on the date of or prior to such meeting or any such adjourned meeting to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternate Director.

68. An Alternate Director shall cease to be an Alternate Director if his appointor ceases to be a director.

69. Any appointment or removal of an Alternate Director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.

70. Save as otherwise provided in the Articles, an Alternate Director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

71. An Alternate Director shall cease to have any rights or powers as such at the end of the day of the meeting for which he was appointed.

POWERS OF DIRECTORS

72. Subject to the provisions of the Act, the memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

73. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

74. The directors may delegate any of their powers to any committee consisting of three or more directors of whom at least two shall be "A" directors and at least one a "B" director and so that such number of "A" directors as are in number one more than the number of "B" directors who are to be members of such committee or if there is not such number of "A" directors appointed then all the "A" directors shall be invited to join such committee. They may also delegate to any director holding any executive office in the Company such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose but shall not be to the exclusion of their own powers and may be revoked or altered at any time. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying. A committee appointed under this Article shall not have or be given authority to exercise the powers of the directors in respect of any matter which requires Special Board Approval except within the authority of a resolution under Article 102.1 which authorises such matter.

75. Without prejudice to Article 65 and the powers of the Company under Section 303 of the Act to remove a director by Ordinary Resolution, the holder or holders for the time being of more than the half of the issued Ordinary Shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a director or directors either as additional directors or to fill any vacancy and to remove from office any directors howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or in the case of a member being a company signed on its behalf by one of its directors and shall take effect upon lodgement at the registered office of the Company.

76. A director shall not be required to hold any qualification shares in the Company.

77. A person shall not be qualified to hold office as a director of the Company unless he is an employee of the Company or a Group Company.

78.(A) No person shall be appointed a director of the Company if at the time of his appointment he has attained the age of 65.

(B) A director shall vacate his office as director at the conclusion of the calendar year in which he attains the age of 65.

(C) Nothing in this Article prevents the appointment of a director at any age or requires a director to retire at any time if his appointment was either approved by the Company in general meeting but special notice is required of a resolution appointing or approving the appointment of a director under this paragraph or the consent of the parent company was given.

79. The directors shall not be subject to retirement by rotation except as required by Article 124(C)(1).

80. Subject as aforesaid, and to Articles 65 and 124, the Company may by ordinary resolution appoint a person who is willing to act to be a director

either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

81. The office of a director shall be vacated if:-
- (a) he ceases to be a director by virtue of any provision of the Act or of these Articles or he becomes prohibited by law from being a director or a director of the class of directors to which his office relates; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he 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 Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, 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, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (d) he resigns his office by notice to the Company; or
 - (e) he ceases to be in full time employment with the Company or any Group Company; or
 - (f) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
 - (g) he is removed from office under these Articles.

REMUNERATION OF DIRECTORS

82. The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

83. A director may be paid all travelling, hotel, and other expenses as the board of directors may from time to time approve which have properly been incurred by him in connection with his attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties.

MANAGING DIRECTOR AND OTHER EXECUTIVE APPOINTMENTS

84. Subject to the provisions of the Act, and with Special Board Approval the directors may:

- (i) appoint one or more of their number (who in the case of a managing or other executive director shall be an 'A' Director) to the office of managing director or to any other executive office under the Company;
- (ii) enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director upon such terms as the directors determine.

Any appointment of a director to an executive office shall terminate if he ceases to be a director and under the terms of his employment he is engaged as a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

DIRECTORS GRATUITIES AND PENSIONS

85. The directors may with Special Board Approval enter into arrangements to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

NOTICE FOR BOARD MEETINGS

86.1 Meetings of the board of directors shall take place no less frequently than every 3 calendar months and subject to Article 87 at least 7 clear days written notice of each such meeting shall be given to each director provided that with the consent of a majority of the directors (determined with Special Board Approval) board meetings may be called less frequently or by shorter notice than stated above and save that notice of such meetings need not be given to a director who is absent from the United Kingdom.

86.2 In the case of exceptional urgency a board meeting may with the consent of a majority (which shall include at least one 'A' and one 'B' Director) of the directors entitled to attend that meeting be convened on notice of less than twenty four hours provided that notice is given in writing or by fax or telex or orally to all directors then in the United Kingdom.

87. At least 48 hours notice shall be given of the time, date and place to which a board meeting has been adjourned pursuant to Article 92 to those directors not present at the meeting which was adjourned.

CHAIRMAN

88. The directors shall appoint one of their number (being an "A" director) to be chairman of the board of directors and may at any time remove him from that office. So long as there is a managing director of the Company he shall unless otherwise resolved by a resolution passed by a majority of the "A" directors or unless he is unwilling to act be appointed as chairman. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present but if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

DEFECTS IN APPOINTMENT

89. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

PROCEEDINGS OF DIRECTORS

90. Subject to the provisions of the Articles and in particular but without limitation to Article 102.

- (i) the directors may regulate their proceedings as they think fit.
- (ii) a director may, and the secretary at the request of a director shall, call a meeting of the directors.
- (iii) questions arising at a meeting of the directors shall be decided by a majority of votes and except in a case to which the provisions of Article 102.4 apply in the case of an equality of votes, the resolution shall fail.
- (iv) a director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

91. Save as otherwise provided by these Articles a director shall not vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he has directly or indirectly an interest which is material and which conflicts or may conflict with the interests of the Company.

QUORUM FOR BOARD MEETINGS

92. The quorum for meetings of the directors shall be seven directors of whom at least four shall be 'A' Directors and at least three shall be 'B' Directors provided that if at any meeting of the board of directors a quorum is not present within half an hour of the time for which the meeting was called or if during a meeting such a quorum shall cease to be present the meeting shall be adjourned ("the first adjournment") to the same time, date and place in the following week but if at such time, place and date a quorum is not present the meeting shall be adjourned ("the second adjournment") to the same time and place on the following business day (or to such other time place and date as shall be determined by a majority of 'A' directors present at the first adjournment). At the second adjourned meeting those directors present shall constitute a quorum. A person who holds office as an Alternate Director shall be treated as if he were not only himself but also the person appointing him an Alternate Director in reckoning a quorum save that no board meeting shall be deemed quorate at which not more than one director (and no other director) is present in person.

WRITTEN RESOLUTIONS OF DIRECTORS

93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors. A resolution signed by an alternate director need not also be signed by his appointor.

94. Save as otherwise provided by the Articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company.

95. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

96. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

97. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

98. 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.

INTERESTS OF DIRECTORS

99. Subject to the provisions of the Act and Article 100 (g) and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

100. Notwithstanding Article 99 but subject to the provisions of Section 317 of the 1985 Act a director may vote on any contract or arrangement in which he has an interest if his interest or duty arises only because the case falls within one or more of the following paragraphs:-

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any Group Company;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether along or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or Parent Company or of any Group Company or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company for subscription, purchase or exchange;
- (d) his interest arises by virtue of his being a member or employee of the Company, the Parent Company or any Group Company;
- (e) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes;
- (f) the resolution relates to any employee benefit trust or profit sharing scheme established for the benefit of persons including the employees of the Company or the Parent Company or of any Group Company.

For the purposes of this Article an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected with a director

shall be treated as an interest of the director and, in relation to an Alternate Director, an interest of his appointor shall be treated as an interest of the Alternate Director without prejudice to any interest which the Alternate Director has otherwise.

101. For the purpose of Articles 99 and 100:-

- (a) 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 transaction or arrangement in which a 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
- (b) 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.

MATTERS REQUIRING SPECIAL BOARD APPROVAL OR BOARD APPROVAL

102.1 Each of the following matters shall require to be authorised ("Special Board Approval") by a majority of the directors, in accordance with this Article 102:-

- (a) the acquisition by any Group Company of any undertaking or undertakings or subsidiary or subsidiaries for an aggregate consideration exceeding £1,000,000 and expenditure by the Company on any other capital item which exceeds £500,000.
- (b) the payment of any dividends by the Company or the making of any distribution to shareholders (which shall be deemed to include every description of distribution of the Company's assets to its members whether in cash or otherwise) by the Company.
- (c) the making or granting by any Group Company of any loans, guarantees or security other than to facilitate the acquisition of shares in the Company by any employees of any Group Company in accordance with employee share schemes or any trusts or schemes established for the benefit of any employees of any Group Company and other than loans made or guarantees or security granted by any Group Company in the normal course of its business.
- (d) the sale or other disposal (whether by way of asset transfer, disposal of the share capital of any subsidiary or otherwise) of the undertaking of the Company or the sale or other disposal (other than to the Company or a wholly owned subsidiary of the Company) of any part of the undertaking of any Group Company which constitutes a substantial part of the undertaking of the Group taken as a whole and so that for the purposes of this paragraph "a substantial part" means such part as at the date of such sale or disposal constitutes by reference to any Transaction Ratio more than five per cent of the Group.
- (e) the sale or other disposal of such part of the share capital of any Group Subsidiary which constitutes by reference to any Transaction Ratio more than five per cent of the Group in such a way that the proportion of the share capital retained by Group Companies amounts to less than seventy six per cent of the shares in the capital of that

Group Subsidiary for the time being in issue or the consideration exceeds £500,000.

- (f) the issue (other than to a Group Company of any shares in a Group Subsidiary for the time being .
- (g) the entering into of any Director Related Contract or any variation of such a contract.
- (h) any change in the auditors of the Company or the registered office of the Company or its accounting reference date.
- (j) any donation or donations to any person, body or company in excess of £500 in any year but not so as to authorise any donation to a political party.
- (k) any change in the accounting policies of the Company which may have a material affect on the profits (or losses) of the Company or the net assets of the Company shown by its audited accounts, other than changes dictated by law or standard statements of accounting practice or recommended by the Company's auditors in order to conform with good accounting practice.
- (l) the delegation of any powers to determine any matter to any director or committee of directors where in default of such delegation such matter would fall to be determined under Article 102.1.
- (m) the commencement of any new business or undertaking unconnected with passenger transport services or with the provision of goods or services in connection with passenger transport services which requires an initial capital commitment of a sum exceeding £100,000.
- (o) any appointment to the board of directors of a Subsidiary other than the appointment of a person who is an existing employee or director of that subsidiary or of any other Group Company.
- (p) the removal of any director of any director of any Subsidiary unless he has already ceased to be an employee of any Group Company.
- (q) the hiring of vehicles to or the driving of vehicles by third parties in a manner which materially reduces transport operations or staffing requirements of the Group.
- (r) proposals for the purposes of parliamentary procedures for parliamentary acts and orders.
- (u) the calling of board meetings less frequently or by shorter notice than is provided in Article 86 except in the case of exceptional urgency.
- (v) matters referred to in Articles 74, 82 and 84.
- (w) the granting of consent to any Subsidiary of this Company for any matter which by virtue of Article 102.1 requires Special Board Approval.
- (x) Directors service contracts or any changes to the terms thereof (other than increases in remuneration in line with increases for employees

who are not directors of the Company or which are in accordance with the express provisions of the relevant service contract and do not require further agreement on the part of the employer to take effect).

102.2 Each of the following matters shall require to be authorised by a simple majority of the board of directors, having being tabled and discussed at a board meeting, save for any such matters which require Special Board Approval pursuant to Article 102.1:-

- (a) approval of statutory accounts;
- (b) approval of annual revenue and capital budgets and any interim reviews or material changes in those budgets;
- (c) major expansion programmes for the business, the commencement of any new business venture and the acquisition of any new undertaking or the share capital of any company;
- (d) material changes in the nature of the business;
- (e) single projects of capital expenditure estimated to cost less than £500,000 and in excess of such lower figure as the board may from time to time approve.
- (f) the granting of consent to any Subsidiary for any matter which by virtue of Article 102.2 requires in relation to this Company approval by a majority of the directors.

102.3 A matter requiring Special Board Approval shall be determined by a vote of the directors at a duly convened meeting of the directors in accordance with Article 102.1 and approved by a majority of those entitled to vote thereon such majority to include a majority of the 'A' Directors for the time being entitled to vote thereon and at least three (or if there are fewer than four a majority) of the 'B' Directors for the time being entitled to vote thereon.

102.4 If at any meeting of the directors the number of 'A' Directors present in person or by his alternate shall be less than or equal to the number of the 'B' Directors the number of the votes which may be cast by the 'A' Directors shall be increased to a number one greater than the total number which may be cast by the 'B' Directors at that meeting (such extra vote or votes being called "the 'A' casting vote"). The 'A' Directors at that meeting shall decide by a majority vote amongst themselves how the 'A' casting vote shall be voted on each question to be determined at that meeting and on that decision in the case of equality the managing director or in his absence the chairman of the 'A' Directors shall have a casting vote on the matter. The 'A' casting vote shall be cast on each matter to which it applies in accordance with the decision of the 'A' Directors as aforesaid by the managing director or in his absence the chairman of the 'A' Directors.

MINUTES

103. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

SECRETARY

104. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

BORROWING POWERS

105. The directors may exercise all powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

106. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

107. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

108. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided 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 any shares having deferred or non-preferred rights.

109. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

110. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

111. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

112. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

113. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

114. No member, unless it is the Parent Company, shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

NOTICES

115. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.

116. Any notice required by these Articles to be given by the Company in writing may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate

transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed.

117. Without prejudice to the foregoing the Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder 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 to 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, but otherwise no such member shall be entitled to receive any notice from the Company.

118. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

119. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

120. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

121. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

122. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

123.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other officer of the Company shall be entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in or about the execution of his duties or in the exercise of his powers or otherwise in connection with his office including, but without prejudice to the generality of the foregoing, any liability incurred by him (a) in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part, or (b) in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company. No director or other officer shall be liable for any loss damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office. This Article shall have effect so far as its provisions are not avoided by Section 310 of the Act and be subject to the provisions of any contract between the Company and the officer in question.

123.2 The Directors shall have power to purchase and/or maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company and/or with any subsidiary undertaking of the Company and/or with any such other company, or who are or were at any time trustees of any retirement benefits scheme or employee benefit trust or employees; share scheme in which any employees of the Company or of any such other subsidiary undertaking or other company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other subsidiary undertaking or other company, retirement benefits scheme or employee benefit trust or employee share scheme.

OVER-RIDING PROVISIONS

124. Whenever the Parent Company or any subsidiary of the Parent Company shall be the holder of more than 50% of the issued Ordinary Shares the following provisions shall apply and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these Articles:-

- (A) no unissued shares shall be issued or agreed to be issued or put under option except to the Parent Company without the consent of the Parent Company evidenced by a special resolution of its members passed in general meeting;

- (B) the directors shall not register or decline to register the transfer of any share without the consent of the Parent Company;
- (C) The directors shall not without the consent of the Parent Company evidenced by a resolution of its directors exercise the powers conferred on them by the following Articles:
- (i) Article 74 - delegation of powers (except to a properly constituted committee of the directors in accordance with that Article)
 - (ii) Article 85 - provision of benefits
 - (iii) Article 88 - appointment of chairman of the board of directors unless the person appointed is the chairman of Parent Company
 - (iv) Article 104 - appointment of any person as Secretary unless he is the Secretary of the Parent Company
 - (v) Articles 107 and 108 - dividends
- (D) The payment of directors fees under Article 82 and payment of directors expenses under Article 83 shall be subject to the prior approval of the Parent Company but no such fees shall be paid to any director except in accordance with his contract of employment with Special Board Approval or unless approved by the resolution of the members of the Parent Company in general meeting;
- (E) The Parent Company may exercise the power to suspend or release the provisions referred to in Article 96 by notice to the Company;
- (F) The managing director who shall be an 'A' Director shall not be appointed under Article 84 without the approval of the Parent Company;
- (G) The power of the Company to appoint a director pursuant to Article 75 shall be exercisable only by the Parent Company.

And except as expressly otherwise above provided such consent or notice shall be in writing served on the Company and signed on behalf of the Parent Company by any one of its 'A' Directors and any one of its 'B' Directors.

G

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not write in this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies

For official use

Company number

[] [] [] []

1990871

Name of company

• MERSEYSIDE TRANSPORT LIMITED

Note Please read the notes on page 3 before completing this form

*Insert full name of company

†Insert name(s) and address(es) of all the directors

Mr Peter Geoffrey Coombes of 7 McLauchlan Rise, Aberdour, Burntisland, Fife, KY3 0SS, Dominic Christopher Brady of 57 Warbreck Road, Liverpool, Merseyside, L9 8cF, Ronald Gordon Millington of 3 Teddington Close, Dudlows Green, Warrington, Cheshire, WA4 5QG, Alan Hague Coleman of 17 Kent Close, Bromborough, Wirral, Merseyside, L63 0EF and Paul Snape of 51 Seaton Way, Cambridge Park, Southport, Merseyside, PR9 9GJ

§Delete as appropriate

~~the sole director~~ [all the directors]§ of the above company do solemnly and sincerely declare that:
The business of the company is:

‡Delete whichever is inappropriate

- (a) ~~that of a [recognised bank] [licensed institution]§ within the meaning of the Banking Act 1979‡~~
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom‡~~
(c) something other than the above‡

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~[company's holding company]~~

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the purpose of that acquisition].§~~

The number and class of the shares acquired or to be acquired is: 19134000
Ordinary Shares of £1 each in the Company

Presenter's name, address and reference (if any):

Lace Mawer
43 Castle Street
Liverpool
L2 9SU
(Ref: RPB 6159.1)

For official use
General Section

Post room

COMPANIES HOUSE
30 DEC 1992
M 55

The assistance is to be given to (note 2) MTL TRUST HOLDINGS LIMITED ("the Buyer")
whose registered office is at Edge Lane, Liverpool, L7 9LL

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold black lettering

The assistance will take the form of:

PLEASE SEE ATTACHED

The person who ~~has acquired~~ [will acquire]* the shares is:
MTL TRUST HOLDINGS LIMITED

*Delete as
appropriate

The principal terms on which the assistance will be given are:

PLEASE SEE ATTACHED

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ the amount required pursuant to
the arrangement described in items 5 and D of the Attachment

The date on which the assistance is to be given is on or before 10th February 19 93

also do not
to in
margin

also complete
itly, preferably
black type, or
of block, following

note either (a) or
) as appropriate

We have formed the opinion, as regards the company's initial situation immediately following the date
which the assistance is proposed to be given, that there will be no ground on which it could then be
found to be unable to pay its debts (note 3)

(a) [We have formed the opinion that the company will be able to pay its debts as they fall due during
the year immediately following that date] (note 3)

~~(b) [It is intended to commence the winding up of the company within 12 months of that date, and I/we
have formed the opinion that the company will be able to pay its debts in full within 12 months of the
commencement of the winding up.] (note 3)~~

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.

Declared at Georges Dock
Liverpool in the County of
Merseyside
the 17th day of December

One thousand nine hundred and ninety two

before me Michael J. [Signature]

A Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on a
Commissioner for Oaths.

Declarants to sign below

R. G. Millington

[Signature]

P. G. Coates

[Signature]

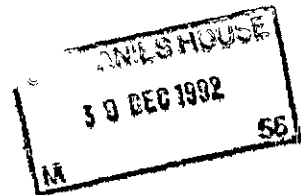
all 4 [Signature]

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account—see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

Merseyside Transport Limited

Attachment to Form 155(6)a



The assistance will take the form of:-

1. The granting by the Company of a Guarantee and Debenture ("the MPTA Debenture") in favour of Merseyside Passenger Transport Authority ("MPTA") creating fixed and floating charges over the assets and undertaking of the Company.
2. The granting by the Company of Legal Charges in favour of MPTA ("MPTA Charges") over properties of the Company at Hall Street/Shaw Street St. Helens, Shaw Road Speke, Canning Road/Cobden Road Southport, Laird Street Birkenhead, Speke Road Garston, Carnegie Road/Green Lane Liverpool, Cheadle Avenue Green Lane Liverpool, Gillmoss Bus Depot East Lancashire Road Gillmoss Liverpool, Jackson Street St. Helens, Edge Lane Liverpool and adjacent to Woodside Bus Station Birkenhead.
3. The grant of an Option to purchase ("the Option") to Merseyside Passenger Transport Executive ("MPTE") relating to premises at Bickerstaff Street, St. Helens ("Bickerstaff Street Premises").
4. The entering into of the Deed of Covenant referred to below.
5. The Company entering into an undertaking to provide a loan to the Buyer upon the terms of a Memorandum of Agreement ("Memorandum") dated 17th December 1992 to enable the Buyer to discharge its liability for costs incurred by it for the purposes of the acquisition of the Shares as defined below or in connection with the establishment of an employees share scheme for the Company.

The principal terms on which the assistance will be given are:-

- A. By the MPTA Debenture and the MPTA Charges the Company will guarantee payment by the Buyer of defined contingent obligations to be undertaken by the Buyer under a Share Purchase Agreement ("the Principal Agreement") to be made between (1) MPTA and (2) the Buyer providing for the purchase by the Buyer of the entire issued share capital ("the Shares") in the Company from MPTA and under the

RG Millington P.B. Hayes
J. J. Jones

22 & 23

Merseyside Transport Limited

Deed of Covenant and the Edge Lane Agreement to be entered into pursuant to the Principal Agreement and will provide security for its guarantee obligations and its own obligations under the Deed of Covenant and the MPTA Debenture and MPTA Charges by virtue of fixed and floating charges over the assets and undertaking of the Company and fixed legal charges over the freehold and leasehold properties specified in Schedule 2 of the Principal Agreement and that at Edge Lane, Liverpool.

- B. By the Option the Company will grant MPTE the right to acquire the interest of the Company in the Bickerstaff Street Premises on terms defined by the Option.
- C. By the Deed of Covenant the Company will enter into a counter indemnity in favour of MPTA in respect of the liability assumed by MPTA under a guarantee of the Company's obligations under leases.
- D. The loan will be made upon the terms of the Memorandum.

PB. Cochrane
D. J. B. Cochrane
R. G. Millington
as a B. Cochrane

Michael P. J. Cochrane
Thru 17th Jan 21/22
P. J. Cochrane

**Coopers
& Lybrand**

Chartered accountants

Richmond House
1 Rymond Place
Liverpool
L3 9QS

1990871
telephone 051-227 4549

telex 887474 COLYRN G
facsimile 051-227 4575

your reference

our reference

AKM/JF

The Directors
Merseyside Transport Limited
Edge Lane
LIVERPOOL
L7 9UL

17 December 1992

Dear Sirs

Auditors' report to the directors of Merseyside Transport Limited pursuant to Section 156(4) of the Companies Act 1985

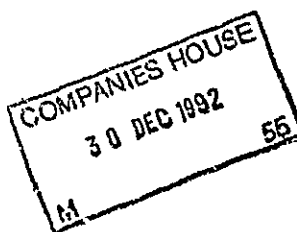
We write in connection with the acquisition by MTL Trust Holdings Limited of 19,134,000 fully paid Ordinary Shares of £1 each being the entire Issued Share Capital of Merseyside Transport Limited ("the Company") from Merseyside Passenger Transport Authority and the proposal that the Company shall give financial assistance for the purpose of that acquisition as specified in the Statutory Declaration by the Directors of the Company dated 17 December 1992, a copy of which is annexed hereto.

We have enquired into the state of the Company's affairs so far as necessary for us to review the bases for the Statutory Declaration.

We are not aware of anything to indicate that the opinion expressed by the Directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

Coopers & Lybrand
Coopers & Lybrand



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G

COMPANIES FORM No. 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

Please do not
write in
this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

[] [] [] [] [] [] [] []

1990871

*Insert full name
of company

Name of company

* MERSEYSIDE TRANSPORT LIMITED

Note
Please read the
notes on page 2
before completing
this form

†Insert name(s) and
address(es) of all
the directors

We ~~†~~ Peter Geoffrey Coombes of 7 McLauchlan Rise, Aberdour, Burntisland, Fife
KY3 0SS, Dominic Christopher Brady of 57 Warbreck Road, Liverpool, Merseyside,
L9 8EF, Ronald Gordon Millington of 3 Teddington Close, Dudlows Green,
Warrington, Cheshire, WA4 5QG, Alan Hague Coleman of 17 Kent Close, Bromborough,
Wirral, Merseyside, L63 0EF and Paul Snape of 51 Seaton Way, Cambridge Park,
Southport, Merseyside, PR9 9GJ

§Delete as
appropriate

~~the sole director~~ [all the directors] of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

The business of this company is:

†Delete whichever
is inappropriate

- ~~(a) that of a [recognised bank] [licensed institution] within the meaning of the Banking Act 1979†~~
~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom†~~
(c) something other than the above†

This company is ~~the~~ holding company of "MERSEYRIDER LIMITED ("the Subsidiary")
which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] []
the holding company of this company.†

Presenter's name address and
reference (if any):

Lace Mawer
43 Castle Street
Liverpool
L2 9SU
(Ref: RPB 6159.1.)

For official use
General Section

Post room

COMPANIES HOUSE
30 DEC 1992
65

The assistance is for the purpose of ~~[that acquisition]~~ ~~[reducing or discharging a liability incurred for the purpose of that acquisition].*~~ (note 1)

Please do not
write in
this margin

The number and class of the shares acquired or to be acquired is. 1913400 Ordinary Shares
of £1 each in the Company

Please complete
legibly, preferably
in black type, or
bold black lettering

The assistance is to be given to: (note 2) MTL TRUST HOLDINGS LIMITED ("the Buyer")
whose Registered Office is at Edge Lane, Liverpool, L7 9LL

The assistance will take the form of:

PLEASE SEE ATTACHED

The person who ~~has acquired~~ [will acquire]† the shares is:
MTL TRUST HOLDINGS LIMITED

*Delete as
appropriate

The principal terms on which the assistance will be given are:

PLEASE SEE ATTACHED

The amount (if any) by which the net assets of the company which is giving the assistance will be
reduced by giving it is NIL

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ NIL

Please do not
write in
this margin

The date on which the assistance is to be given is on or before 31st January 1993

Please complete
legibly, preferably
in black type, or
bold block lettering

M We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

Delete either (a) or
(b) as appropriate

(a) *M* We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date (note 3)

~~(b) It is intended to commence the winding-up of the company within 12 months of that date, and
I/we have formed the opinion that the company will be able to pay its debts in full within
12 months of the commencement of the winding-up. (note 3)~~

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

George & Jack Buckley
Liverpool, in the County of
Merseyside
the *17th* day of *December*
one thousand nine hundred and *ninety two*
before me *Michael M*

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

Declarants to sign below

P G Millington
/
P B - Coates
Dennis P. Coates
Ben H. Coates

Notes

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account—see section 156(3) of the Companies Act 1985.
- 4 The auditors' report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

MTL re Merseyrider Limited

Attachment to Form 155(6)b

The assistance will take the form of:-

The granting by the Subsidiary of a Guarantee and Debenture ("the MPTA Debenture") in favour of Merseyside Passenger Transport Authority ("MPTA") creating fixed and floating charges over the assets and undertaking of the Subsidiary.

The principal terms on which the assistance will be given are:-

By the MPTA Debenture the Subsidiary will guarantee payment by the Buyer of defined contingent obligations to be undertaken by the Buyer under a Share Purchase Agreement ("the Principal Agreement") to be made between (1) MPTA and (2) the Buyer providing for the purchase by the Buyer of the entire issued share capital in the Company from MPTA and under the Deed of Covenant and the Edge Lane Agreement to be entered into pursuant to the Principal Agreement and will provide security for its guarantee obligations and its own obligations under the MPTA Debenture by virtue of fixed and floating charges over the assets and undertaking of the Subsidiary.

R. Millington
Ea.
P. C. Baker
James Brown

Michael P. F.
this 17th day of December 1992.

**Coopers
& Lybrand**

Chartered Accountants

Richmond House
1 Rumbold Place
Liverpool
L3 9QS

telephone 051-227 4342

telex 887474 COLYRN G
facsimile 051-227 4575

your reference

our reference

AKM/JF

The Directors
Merseyside Transport Limited
Edge Lane
LIVERPOOL
L7 9LL

17 December 1992

Dear Sirs

Auditors' report to the directors of Merseyside Transport Limited pursuant to Section 156(4) of the Companies Act 1985 re Merseyrider Limited

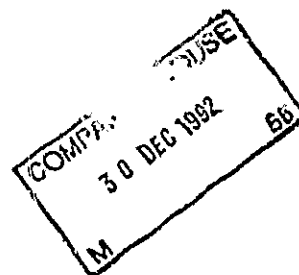
We write in connection with the acquisition by MTL Trust Holdings Limited of 19,134,000 fully paid Ordinary Shares of £1 each being the entire Issued Share Capital of Merseyside Transport Limited ("the Company") from Merseyside Passenger Transport Authority and the proposal that Merseyrider Limited shall give financial assistance for the purpose of that acquisition as specified in the Statutory Declaration by the Directors of the Company dated 17 December 1992, a copy of which is annexed hereto.

We have enquired into the state of the affairs of Merseyrider Limited so far as necessary for us to review the bases for the Statutory Declaration.

We are not aware of anything to indicate that the opinion expressed by the Directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

Coopers & Lybrand
Coopers & Lybrand



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Company No. 3990871

THE COMPANIES ACT 1985 TO 1989

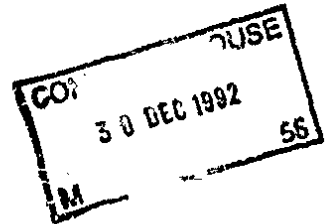
Company Limited by Shares

RESOLUTION

OF

MERSEYSIDE TRANSPORT LIMITED

Passed the 17th day of December 1992



AT an Extraordinary General Meeting of the Company duly convened and held at 24 Hatton Garden, Liverpool on the above date the following resolution was duly passed respectively as a Special Resolution of the Company:

SPECIAL RESOLUTIONS

1. That in connection with the acquisition by MTL Trust Holdings Limited ("MTHL") of the entire issued Share Capital in the Company from Merseyside Passenger Transport Authority ("MPTA") the Company is hereby authorised for the purposes of section 155 of the Companies Act 1985 to give financial assistance to MTHL as follows:

- (i) the entry by the Company into a Deed of Covenant;
- (ii) the entry by the Company into a Guarantee and Debenture;
- (iii) the entry by the Company into Legal Charges over the Company's properties at
 - Hall Street/Shaw Street, St. Helens
 - Shaw Road, Speke
 - Canning Road/Cobden Road, Southport
 - Laird Street, Birkenhead
 - Speke Road, Garston
 - Carnegie Road/Green Lane
 - Stanley Bus Park
 - Jackson Street, St. Helens
 - Woodside Bus Park/offices
 - Gillmoss Bus Depot, East Lancashire Road, Liverpool
 - Edge Lane, Liverpool

in each case in favour of MPTA and in the form then produced to the meeting; and

- (iv) the Bickerstaff Street Option Agreement in the form produced to the meeting;
- (v) the entry by the Company into a Memorandum of Agreement with MTHL in the form then produced to the meeting.

2. That in connection with the acquisition by MTHL of the entire issued Share Capital in the Company from HPTA the Company hereby authorises Merseyrider Limited ("MR"), its wholly owned subsidiary, for the purposes of section 155 of the Companies Act 1985 to give financial assistance to MTHL by the giving by MR of a Guarantee and Debenture in favour of HPTA in a form then produced to the meeting.

D. Swallow
Signed (Chairman)