

Company No: 2295227



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FILE RECEIPT DATE: 28/07/94

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES  
\_\_\_\_\_

ARTICLES OF ASSOCIATION

- of -

BUSWAYS TRAVEL SERVICES LIMITED

(as conditionally adopted by a Special Resolution passed  
on 21 July 1994 which became unconditional and  
effective on 26 July 1994)

PRELIMINARY

1. The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force
"the adoption date"	the date on which these Articles are adopted as the Articles of Association of the Company
"these Articles"	these Articles of Association
"the Busways Group"	the Company and any of its subsidiaries from time to time
"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

"the Company"

Busways Travel Services Limited (Company No: 2295227)

"Current Employee"

any employee of the Company who has been continuously employed by the Company since 27 June 1994

"the No. 1 EBT Trust"

the Busways Employee Benefit Trust established by a Trust Deed dated 5 May 1989 between the Company (1) and Joseph Lawson and others (2) for the benefit of the employees and former employees from time to time of the Company and any subsidiary of the Company (within the meaning of Section 736 of the Companies Act 1985) and the wives husbands widows widowers and children and step-children under the age of eighteen of such employees and former employees

"the No. 1 EBT Trustees"

the trustees for the time being of the No. 1 EBT Trust

"the No. 2 EBT Trust"

the Busways Employee Benefit Trust (No. 2) established by a Trust Deed dated 5 May 1989 between the Company (1) and Joseph Lawson and others (2) for the benefit of the former employees as at 5 May 1989 of the Company and any subsidiary of the Company (within the meaning of Section 736 of the Companies Act 1985) and such of the employees and former employees of the Company and its subsidiaries as the Company may in its absolute discretion by notice in writing to the Trustees nominate and the wives husbands widows widowers and children and step-children under the age of eighteen of such employees and former employees

"the No 2. EBT Trustees"

the trustees for the time being of the No. 2 EBT Trust

"

"equity securities"

as defined in Section 94(2) of the Act

"the holder"

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

"made redundant"

dismissed by reason of redundancy within the meaning of Section 81(2) of the Employment Protection (Consolidation) Act 1978

"Majority Shareholder"	Stagecoach Holdings PLC (registered in Scotland No: 100764) or (if it and its Subsidiaries cease to hold a majority of the issued Ordinary Shares in the capital of the Company) the holder (if any) of a majority of the issued Ordinary Shares of 5p each for the time being in the capital of the Company
"Market Value"	<p>a price for each Ordinary Share in the capital of the Company established by reference to:</p> <ul style="list-style-type: none"> <li>(a) the Audited Consolidated Accounts of the Company for the accounting period ending immediately prior to the date upon which such valuation is required to be made; and</li> <li>(b) the provisions of Sections 272 and 273 of the Taxation of Chargeable Gains Act 1992; and</li> <li>(c) in the case of a certificate produced pursuant to Article 40.3 any events occurring and any assets acquired or liabilities incurred by or transactions entered into by the Company or any subsidiary between the day to which the latest Audited Consolidated Accounts of the Company were drawn up and the date at which the auditors are required to give a certificate of Market Value</li> </ul> <p>and certified as being the Market Value of an Ordinary Share by the auditors of the Company under the provisions of Article 40.1 or 40.3 in the latest auditors certificate produced</p>
"the office"	the registered office of the Company
"the PST Trust"	the Profit Sharing Scheme established by a Trust Deed dated 10 May 1989 between the Company (1) and A J Gray and others (2) and by the rules to be entitled "The Busways Group Limited Profit Sharing Scheme" (in both cases, as amended from time to time)
"the PST Trustees"	the trustees for the time being of the PST Trust
"the Price"	a price per share equal to the Market Value
"Sale Notice"	a notice in writing served upon the Company by a shareholder stating his wish to dispose of Ordinary Shares in the capital of the Company registered in his name such notice specifying the number and

denoting numbers (if any) of the Ordinary Shares proposed to be sold and accompanied by the relevant share certificate or certificates PROVIDED THAT if such notice is served by a member who wishes to sell Ordinary Shares representing 2% or less of the issued Ordinary Share Capital of the Company it shall be in respect of all of the Ordinary Shares registered in the name of the shareholder serving the Sale Notice and the Directors shall not consent to a Sale Notice in such circumstances for a proposed sale of part only of that shareholder's shareholding

"the seal"

the common seal of the Company

"the Subsidiary"

as defined in Section 736 of the Act

"Table A"

Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended)

"Transfer Event"

- (a) a shareholder ceasing to be an employee or a director of any company in the Busways Group (in circumstances where he does not immediately become or continue to be an officer or employee of any other company in the Busways Group); or
- (b) a shareholder (including a personal representative or trustee in bankruptcy of such person) who is not (or has ceased to be) a director or employee of any company in the Busways Group or who has been declared bankrupt or made any composition or arrangement with his creditors acquiring any shares in the Company in pursuance of a right or interest obtained by such a director or employee (including but not limited to his right or interest as a beneficiary under a trust); or
- (c) a shareholder dying; or
- (d) a shareholder being declared bankrupt or making any composition or arrangement with his creditors; or
- (e) a shareholder desiring to transfer any of the Ordinary Shares registered in his name and (being entitled to do so) having served upon the Company a Sale Notice pursuant to Article 27.3

"Workforce Director"

any director appointed pursuant to Article 75.

Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meanings in these Articles. The singular shall include the plural and vice versa, and references to the masculine gender include the feminine gender.

#### TABLE A

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

#### PRIVATE COMPANY

3. The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

#### SHARE CAPITAL

4. The share capital of the Company at the adoption date is £300,001 divided into 6,000,000 Ordinary Shares of 5p each and one 'A' Share of £1 ("the 'A' Share"). Subject to the provisions of the Act and these Articles and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

5. Subject to the provisions of the Act and these Articles, 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 these 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.

#### CLASS RIGHTS

8. The respective rights, privileges and restrictions attaching to the Ordinary Shares and the 'A' Share shall be as follows:

##### 8.1 As regards income

- 8.1.1 Any profits of the Company available for distribution and resolved to be distributed shall be distributed amongst the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them respectively.

- 8.1.2 The 'A' Share shall not entitle the holder thereof to any dividend or to any other right to participate in the profits of the Company.

8.2 As regards capital

- 8.2.1 On a return of capital on liquidation or otherwise, the assets of the Company available for distribution amongst the members shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying the sum of £1 to the holder of the 'A' Share.
- 8.2.2 The balance (if any) of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them respectively.

8.3 As regards voting

- 8.3.1 At any general meeting of the Company on a show of hands every holder of Ordinary Shares who (not being a corporation) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of Ordinary Shares who (not being a corporation) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every Ordinary Share of which he is the holder.
- 8.3.2 At any general meeting of the Company on a show of hands the 'A' Shareholder, if he (not being a corporation) is present in person or (being a corporation) is present by a duly authorised representative shall, subject to Article 8.6, have one vote and on a poll the 'A' Shareholder if he (not being a corporation) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote.
- 8.3.3 The 'A' Share shall cease to have attached thereto the rights as to voting contained in sub-Article 8.3.2 and 8.6 on the third anniversary of the adoption date and with effect from such third anniversary, the 'A' Share shall not entitle the holder thereof to receive notice of or to attend or speak at any general meeting of the Company.
- 8.3.4 For the avoidance of doubt it is declared that the provisions of this Article 8.3 apply to general meetings of the Company and, if and for so long as the share capital of the Company is divided into shares of different classes, do not apply to separate general meetings of the holders of any class.

8.3.5 In this Article 8.3:

- (a) references to the "'A' Shareholder" are to the holder of the 'A' Share; and
- (b) references to votes cast by the 'A' Shareholder are to votes to which he is entitled by reason of the 'A' Share.

8.4 As regards appointment of Directors

The holder of the 'A' Share shall have the right to appoint directors contained in Article 75.

8.5 As regards redemption

Subject to the provisions of Part V of the Act the following provisions shall apply as regards the redemption of the 'A' Share:

8.5.1 The 'A' Share may at the option of the Company be redeemed at par on or at any time after the third anniversary of the adoption date, subject to the Company giving to the holder of the 'A' Share not less than 14 days prior notice in writing (a "Redemption Surrender Notice") of such redemption.

8.5.2 The holder of the 'A' Share shall be bound on receipt of the Redemption Surrender Notice to surrender to the Company the certificate for the 'A' Share in order that the same may be cancelled and upon such delivery and against such holder's receipt for the redemption money payable to him the Company shall pay to him such redemption money.

8.5.3 If the holder of the 'A' Share when it is liable to be redeemed pursuant to this Article fails or refuses to deliver up his certificate in accordance with the Redemption Surrender Notice then:

- (a) the Company may retain the redemption money until such delivery up or until delivery of an indemnity in respect thereof satisfactory to the Company but shall within seven days thereafter pay the redemption money to such holder; and
- (b) the holder of the 'A' Share shall have no rights as a member of the Company except the right to receive the sum of £1 payable on redemption of the 'A' Share.

8.5.4 Immediately following the redemption of the 'A' Share pursuant to this Article the nominal amount of the 'A' Share shall, by virtue of this provision, be automatically converted into 20 Ordinary Shares.

8.6 As regards variation of class rights

8.6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holder or holders of not less than three fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class but not otherwise. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be one person at least holding or representing by proxy not less than one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present that member who is present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

8.6.2 Subject always to sub-Article 8.6.4 below, the following matters shall (in addition to any other authority required by the Act or these Articles) each require an extraordinary resolution passed at a separate general meeting of the holder of the 'A' Share or the prior written consent of the holder of the 'A' Share:

- (a) any alteration or variation of any of the rights attached to any of the Shares issued for the time being in the capital of the Company;
- (b) the issue by the Company of shares or rights to subscribe for shares other than Ordinary Shares ranking *pari passu* in all respects with the existing Ordinary Shares in the capital of the Company;
- (c) the winding up or dissolution of the Company or any subsidiary of the Company;
- (d) any alteration of the Memorandum or Articles of Association of the Company;
- (e) the Company disposing of the whole or substantially the whole of the undertaking of the Busways Group whether by way of asset transfer, disposal of the share capital of any of its subsidiaries or otherwise;
- (f) any substantial change in the nature of the business of the Company taken as a whole.



8.6.3 Subject to sub-Article 8.6.4 below, if any resolution is proposed at a general meeting of the Company to remove a Workforce Director from office then the 'A' Shareholder if (not being a corporation) present in person or by proxy or (in the case of a corporation) present by its duly authorised representative shall on a poll have 51% of the votes capable of being cast at that meeting.

8.6.4 Sub-Articles 8.6.2 and 8.6.3 above shall cease to apply on, and shall have no force or effect from and after, the third anniversary of the adoption date.

#### SHARE CERTIFICATES

9. 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). 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, if such shares are not fully paid up, 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.

10. 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

11. The Company shall have a first and paramount lien on every share (unless it is a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (unless fully paid) standing registered in the name of any member whether solely or as one of two or more joint holders for all monies presently payable by him or his estate to the Company and for all costs and expenses suffered or incurred by the Company as a result of non payment of such monies and in enforcing the lien; but 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 all dividends payable thereon.

12. 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 provided that the shares to be sold shall be offered to the Majority Shareholder before being offered to any other person.

13. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to or in accordance with the directions 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.

14. 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 monies 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

15. Subject to the terms of allotment, the directors may make calls upon the members in respect of any monies 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.

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

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

18. 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.

19. 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 these Articles shall apply as if that amount had become due and payable by virtue of a call.

20. 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.

21. 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.

22. 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 other monies payable in respect of the forfeited shares and not paid before the forfeiture.

23. 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 provided that such shares shall be offered to the Majority Shareholder before being offered, sold, reallocated or disposed of to any person other than the person who was the holder prior to forfeiture. 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.

24. 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 monies 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 monies 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 shares at the time of forfeiture or for any consideration received on their disposal.

25. 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 or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

### ISSUE OF SHARES

26.1 Subject to Article 8 the relevant securities of the Company (as defined by Section 80(2) of the Act) shall be under the control of the directors and the directors may allot, grant options over, or otherwise deal with or dispose of any relevant securities of the Company to such persons and generally on such terms and in such manner as they think fit. The general authority conferred by this Article shall extend to all relevant securities of the Company from time to time unissued during the currency of such authority. The said general authority shall expire on the fifth anniversary of the adoption date unless varied or revoked or renewed by the Company in General Meeting. The directors shall be entitled under the general authority conferred by this Article to make at any time before the expiry of such authority any offer or agreement which will

or may require securities to be allotted after the expiry of such authority. 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 any allotment of equity securities in the Company.

### TRANSFER

- 27.1 The No. 1 EBT Trustees may at any time transfer any of the Shares registered in their names to the new trustees of such trust on the occasion of a change in the identity of the trustees of such trust and the PST Trustees may at any time transfer any of the Ordinary Shares registered in their name to any employee or ex-employee of any company in the Busways Group or to the personal representatives of such an employee or ex-employee who is eligible to receive the same pursuant to the terms of the PST Trust.
- 27.2 Any holder of Ordinary Shares may transfer such Shares (or any of them) to the Majority Shareholder at any price and on any other terms agreed between them.
- 27.3 Any shareholder wishing to transfer all or (if permitted by these Articles) part of the Ordinary Shares held by him (other than pursuant to Articles 27.1, 27.2 or 27.5) may deliver to the Company a Sale Notice which notice shall constitute the Company the agent of that shareholder for the sale of the Ordinary Shares that are the subject of the Sale Notice at the Price .
- 27.4 No transfer of shares in the Company shall (otherwise than pursuant to Article 27.5) be made to persons who are not No. 1 EBT Trustees or the Majority Shareholder or an employee of a company in the Busways Group without the prior written consent of the Majority Shareholder and (if such transfer is made within three years of the adoption date) the holder for the time being of the 'A' Share.
- 27.5 The Majority Shareholder may sell and transfer any Ordinary Share to any person and at any price if the Majority Shareholder is legally required to sell, transfer or otherwise dispose of any Ordinary Shares by a governmental or regulatory department, body or official or pursuant to any undertaking given to such department, body or official in order to avoid any investigation, order or other action which might otherwise lead to such a requirement.

### TRANSFER OF SHARES

28. The instrument of transfer of a share may be in any usual 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.
29. The directors of the Company may refuse to register the transfer of a share unless:-
- (a) it is lodged at the office and accompanied by the certificate for the shares to which it relates;
  - (b) it relates to one class of shares only.

30. 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.

31. The registration of transfers 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.

32. 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.

33. 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.

34. In the event that a Transfer Event shall occur in relation to any shareholder ("the Retiring Shareholder") he (or his personal representatives or trustees in bankruptcy) shall forthwith be deemed to have irrevocably appointed the Company as his agent to sell all of the Ordinary Shares of which the Retiring Shareholder is the registered holder ("the Sale Shares") pursuant to Article 35.

35.1 Upon the occurrence of a Transfer Event in relation to a shareholder the Company shall forthwith offer the Sale Shares to the Majority Shareholder at the Price; such offer to be made in writing ("the Offer Notice") and to be open for acceptance by notice in writing to the Company for a period of 42 days from receipt of the Offer Notice by the Majority Shareholder.

35.2 If the Majority Shareholder shall accept by notice in writing to the Company any of the Sale Shares offered to it pursuant to Article 35.1 or the time for acceptance of the Offer Notice has expired without such an acceptance having been made the Company shall give notice in writing ("the Information Notice") to the Retiring Shareholder stating whether the Majority Shareholder has duly accepted any of the Sale Shares and if so the number of Sale Shares which it is entitled to purchase, and shall send a copy of such notice to the Majority Shareholder. Completion of the purchase by the Majority Shareholder of the Sale Shares in respect of which the Majority Shareholder has accepted the Offer Notice shall take place at the office 14 days after the date of the Information Notice or at such other place and/or time as the parties may agree, and at such completion the Majority Shareholder shall tender the price for each of the Sale Shares which he has elected to purchase and thereupon the Retiring Shareholder shall deliver duly executed transfers of the Sale Shares which the Majority Shareholder has elected to purchase in favour of the Majority Shareholder and shall surrender to the Company his certificate for the Sale Shares.

35.3 In the event that after the offer made pursuant to sub-Article 35.1 has expired all of the Sale Shares have not been accepted then the Company shall give notice in writing to the Retiring Shareholder of that fact and all or any of the Sale Shares not so accepted may at any time within 3 months of such notice be transferred

to any person who is an existing holder of Ordinary Shares by the Retiring Shareholder at a price not less than the Price provided that before registering the transferee as a holder of the shares so transferred the directors of the Company may require a Statutory Declaration from the transferor that none of the Sale Shares offered but not accepted pursuant to sub-Articles 35.1 have been transferred at a price less than the Price and provided further that any such Sale Shares not transferred within such period shall again be subject to the restrictions on transfer set out in these Articles.

#### TRANSFER DEFAULT

36. If any person ("the Defaulter") who is obliged to transfer any shares in the capital of the Company shall fail to deliver a transfer of such shares to a person who is entitled thereto pursuant to these Articles (other than by the default of the person so entitled) then the directors may authorise any director to execute a transfer of such shares in favour of the person so entitled ("the Transferee") and the Company shall be entitled to receive and give good receipt for the purchase price of such shares and to register the Transferee as the holder thereof and to issue to the Transferee a certificate for such shares whereupon he shall become indefeasibly entitled thereto. The Defaulter shall be bound thereupon to deliver up to the Company for cancellation his certificate for the shares of which he is the registered holder and shall thereupon be entitled to the purchase price for those of his shares which have been transferred pursuant to this Article but in the meantime the purchase price shall be held on trust for him by the Company without any obligation to earn interest.

#### TRANSMISSION OF SHARES

37. 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 had been held jointly by him.

38. A person becoming entitled to any shares in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect to become the holder of such shares by giving notice to the Company to that effect provided that (whether or not he elects to be so registered) he shall be bound by the provisions of Article 34 and Article 35 and shall be bound to execute a transfer of such shares in accordance with the direction of the Company pursuant to Article 35.2 as if he were a Retiring Shareholder.

39. A person becoming entitled to any shares in consequence of the death or bankruptcy of a member shall, whilst he remains the holder of the same, have the rights to which he would be entitled if he were the holder of these shares, except that he shall not, before being registered as the holder of such shares, be entitled in respect of them 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.

40.1 The Board of Directors of the Company shall forthwith upon the audited consolidated accounts of the Company having been agreed with the auditors for

the time being of the Company and the auditors having given their report pursuant to Section 236 of the Act request the auditors to prepare and deliver to the Board of Directors a Certificate of Market Value (Market Value being assessed as at the date of such request). In giving such certificate the auditors shall act as experts and not arbitrators and their determination of Market Value shall be binding under the provisions of the Articles.

- 40.2 Within 7 days of receipt of the auditors certificate under Article 40.1 the Board of Directors shall issue to the members of the Company holding Ordinary Shares a notice in writing specifying the Market Value.
- 40.3 In the event that the Directors of the Company so resolve at any time the auditors of the Company shall prepare an auditor's certificate revising the latest certificate produced pursuant to Article 40.1 so as to re-assess Market Value as at the date stipulated in that resolution.

#### ALTERATION OF SHARE CAPITAL

41. Subject to Article 8.6 the Company may by ordinary resolution:
- (a) increase its authorised share capital by new shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its shares into shares of larger amounts 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.
42. The Company may by ordinary resolution 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.
43. 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 monies nor shall his title to the shares be affected by the irregularity in or invalidity of the proceedings in reference to the sale.
44. 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

45. Subject to the provisions of the Act and Article 8.6, the Company may purchase its own shares (including any redeemable shares) and 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

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

47. Any director may call a general meeting and, on the requisition of members pursuant to the provisions of the Act, the directors shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.

48. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution 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 by all the members entitled to attend and vote thereat.

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 these 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.

49. 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

50. No business shall be transacted at any meeting unless a quorum is present. Two persons holding shares in the Company present in person or by proxy or by a duly authorised representative in the case of a corporation shall be a quorum at General Meetings.

51. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine and if at such time, place and date a quorum is not present any member present shall be a quorum.



52. 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 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.

53. 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.

54. 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.

55. 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.

56. 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;

(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.

57. 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.

58. 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.

59. 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.

60. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall have a second or casting vote.

61. 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 had not been made.

62. 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.

63. 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.

#### VOTING

64. 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 are set out in the register of members.

65. A member in respect of whom an order has 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 these 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.

66. 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 monies presently payable by him in respect of that share have been paid.

67. 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 that meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

## PROXIES

68. On 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.

69. 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):-

" Busways Travel Services 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\_\_\_\_."

70. 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):-

" Busways Travel Services 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\_\_\_\_."

71. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some 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.

72. 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.

#### DIRECTORS

73. The number of directors (other than alternate directors) shall be a maximum of seven, but shall not be less than two.

74. The Company may by ordinary resolution and any Majority Shareholder may by notice in writing to the Board appoint a director either to fill a casual vacancy or as an additional director and may in like manner remove any director so appointed from such office PROVIDED THAT:

- (a) no more than five directors appointed pursuant to this Article 74 shall hold such office at the same time of whom at least three shall be employees of the Company who devote the majority of their time to the management of the Company's business;
- (b) Mr George Eric Hutchinson, John Conroy and Peter John Nash shall continue in office after the adoption date (in each case until he ceases to be a director in accordance with Article 76 below) and be deemed to have been the first directors appointed under this Article.

For the purposes of this Article 74 any employee of the Company on the adoption date who becomes an employee of the Majority Shareholder shall, so long as he is an employee of the Majority Shareholder be deemed to be an employee of the Company.

75. The 'A' Shareholder may by notice in writing to the Company appoint a director either to fill a casual vacancy or as an additional director and may in like manner remove any director so appointed from office PROVIDED THAT:

- (a) no more than two directors appointed pursuant to this Article 75 shall hold such office at the same time;

- (b) no person shall be eligible to be appointed a director under this Article 75 who is not an employee of the Company and any such director who ceases to be an employee of the Company shall thereupon cease to hold such office.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

76. 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 any other provision of these Articles or he becomes prohibited by law from being a director; 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;
- (e) if he, having been appointed or deemed to be appointed in accordance with Article 74 above, is removed from such office in accordance with that Article or if he, having been appointed pursuant to Article 75 above, is removed from such office in accordance with that Article.

77. No director shall be appointed except in accordance with Articles 74 and 75 hereof and every director so appointed shall hold office until removed in the manner provided by the appropriate Article or his death or he vacates his office pursuant to Article 76 and the directors shall not have power to fill any such vacancy.

#### MANAGEMENT OF THE BUSINESS

78. Subject to the provisions of the Act, the Memorandum and these Articles, the business of the Company shall be managed by the directors who shall exercise all powers of the Company and the members shall have no right to direct the management of such business or the exercise of such powers. No alteration of the Memorandum or Articles 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 these Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

79. 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

80. The directors may delegate any of their powers to any committee consisting of two or more directors provided that at least one Workforce Director shall be invited to join any such committee and where the number of directors to be appointed to such committee exceeds two then all such Workforce Directors shall be invited to join such committee. They may also delegate to any managing director or any director holding any other executive office 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, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. 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.

#### REMUNERATION

81. The directors shall be entitled to the remuneration stipulated in their current service contracts (if any) with the Company and to such further remuneration or rates of remuneration as the Board of Directors may from time to time approve.

#### DIRECTORS EXPENSES

82. The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their 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 their duties.

#### MANAGING DIRECTOR AND OTHER EXECUTIVE APPOINTMENTS

83. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may 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. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

### INTERESTS OF DIRECTORS

84. Subject to the provisions of the Act 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 interest 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.

85. For the purpose of Article 84:-

- (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.

### DIRECTORS GRATUITIES AND PENSIONS

86. The directors may 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.

### PROCEEDINGS OF DIRECTORS

87. Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second and casting vote. 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.

#### CHAIRMAN

88. The Majority Shareholder may, by notice in writing to the Company, nominate one of the directors of the Company to be the Chairman of the board of directors and may at any time remove any such director so nominated from the office of Chairman. Failing nomination by the Majority Shareholder of the Chairman of the board of directors, the directors may appoint one of their number to be the Chairman of the board of directors and may at any time remove a Chairman so appointed from that office. Unless he is unwilling to do so, the Chairman shall preside at every meeting of directors at which he is present but if there is no such Chairman appointed, or if the Chairman so appointed 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.

#### RESOLUTION IN WRITING OF DIRECTORS

90. 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.

#### QUORUM FOR BOARD MEETINGS

91.1 The quorum for meetings of the directors shall be three directors (including at least one Workforce Director) 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 to the same time, date and place in the following week and if at such time, place and date a quorum is not present then any two directors (by whomsoever appointed) 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 only one Alternate Director (and no other director or Alternate Director) is present.

91.2 A meeting of the Directors, or of a committee of the Directors, may consist of a conference between Directors who are not all in one place, but of whom each is able to



speaking to each of the others and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled or, if there is no such group, where the chairman of the meeting then is. The word "meeting" when referring to a meeting of the Directors, or of a committee of the Directors, in these Articles shall be construed accordingly.

#### NOTICE FOR BOARD MEETINGS

92. Meetings of the Board of Directors shall take place no less frequently than every 3 calendar months and subject to Article 93 at least 7 days notice of each such meeting shall be given to each director provided that with the consent of a majority of the directors (such majority including at least one Workforce Director) Board Meetings may be called less frequently or by less 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.

93. 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 91.1 to those directors not present at the meeting which was adjourned.

#### ALTERNATE DIRECTORS

94. Any director (other than an Alternate Director) may appoint any other director willing to act to be an Alternate Director and may remove from office an Alternate Director so appointed by him.

95. An Alternate Director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of the directors of which his appointor is a member (unless he is absent from the United Kingdom) and to attend and vote at any such meeting at which the director appointing him is not personally present, and generally 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.

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

97. 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.

98. Save as otherwise provided in these Articles, an Alternate Director shall be deemed for all purposes to be a director.

99. An Alternate Director 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.

## MATTERS REQUIRING SPECIAL BOARD APPROVAL

100. Each of the following matters shall require to be authorised by a majority of the directors (such majority including at least one Workforce Director):-

- (a) the disposal outside the Busways Group by any company in the Busways Group, within three years of the adoption date, of any business or part of a business or of any property and/or other assets (including shares in subsidiaries) if the value of the business, property and/or assets disposed of as part of a single transaction or a related series of transactions exceeds 5% of the consolidated net asset value of the Busways Group as shown by the latest audited accounts of the companies in the Busways Group;
- (b) the application other than by investment in the business of any member of the Busways Group of any net proceeds (after tax and expenses) derived from the sale or disposal outside the Busways Group or the redevelopment of any property of which any member of the Busways Group is, at the adoption date, the freehold owner or a lessee or underlessee holding a leasehold term exceeding 25 years;
- (c) any material change within three years of the adoption date in the registered name of the Company or its current trading names or in the livery of its vehicles;
- (d) any Current Employee being made redundant within three years of the adoption date without his prior written consent;
- (e) any reduction within three years of the adoption date in the wage rates (including guaranteed bonuses) of Current Employees;
- (f) any person being authorised by the directors to negotiate wage rates or terms and conditions of employment on behalf of the Company other than directors or management employees of the Company engaged full time in the Company's business provided that for the purposes of this paragraph (f) any director or employee of the Company on the adoption date who becomes an employee of the Majority Shareholder shall, so long as he is an employee of the Majority Shareholder, be deemed to be an employee of the Company;
- (g) any decision to dispose of or relocate any of the Company's public service vehicles which will result in the average age of the public service vehicles regularly operated by the Company exceeding nine years as at 31 March in any year;
- (h) any move of the Company's head office outside the county of Tyne and Wear.

## BORROWING POWERS

101. 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.

#### SECRETARY

102. 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.

#### MINUTES

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

- (a) of all appointments of officers 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.

#### THE SEAL

104. 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

105. Subject to the provisions of the Act and Article 100 the directors may at any General Meeting of the Company recommend that a dividend is paid and the Company may by ordinary resolution approve such dividend.

106. 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.

107. Except as otherwise provided by the rights attached to the Shares all dividends shall be declared upon and paid in cash to the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by such holders save that any such dividends payable in respect of any Ordinary Shares which were issued during the period in respect of which the dividend is payable shall be apportioned such that the

holders of such Ordinary Shares shall be entitled to that proportion of the dividend which would have been payable to them had they held the shares throughout that period as is equal to the proportion of such period constituted by the period for which they have been registered as the holders of such shares.

108. 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.

109. Any dividend or other monies 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 monies payable in respect of the share.

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

111. Any dividend which has remained unclaimed for six 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.

#### CAPITALISATION OF PROFITS

112. The directors may, subject to Article 8.6 and with the authority of a special resolution of the Company:-

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they have available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other but the share

premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article in fractions; and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

### NOTICES

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

114. 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.

115. 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.

116. 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.

117. 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.

118. 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 these 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 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

119. 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 according to the members' respective entitlements to such assets 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 liability.

#### INDEMNITY

120. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

#### ARTICLES OF ASSOCIATION

121. From and after the third anniversary of the adoption date, such alterations may be made to these Articles and new Articles of Association of the Company may be adopted, in each case in such form as may be determined by a special resolution passed by the members of the Company.

## CLASS RIGHTS

8. The respective rights, privileges and restrictions attaching to the Ordinary Shares and the 'A' Share shall be as follows:

### 8.1 As regards income

- 8.1.1 Any profits of the Company available for distribution and resolved to be distributed shall be distributed amongst the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them respectively.
- 8.1.2 The 'A' Share shall not entitle the holder thereof to any dividend or to any other right to participate in the profits of the Company.

### 8.2 As regards capital

- 8.2.1 On a return of capital on liquidation or otherwise, the assets of the Company available for distribution amongst the members shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying the sum of £1 to the holder of the 'A' Share.
- 8.2.2 The balance (if any) of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them respectively.

### 8.3 As regards voting

- 8.3.1 At any general meeting of the Company on a show of hands every holder of Ordinary Shares who (not being a corporation) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of Ordinary Shares who (not being a corporation) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every Ordinary Share of which he is the holder.
- 8.3.2 At any general meeting of the Company on a show of hands the 'A' Shareholder, if he (not being a corporation) is present in person or (being a corporation) is present by a duly authorised representative shall, subject to Article 8.6, have one vote and on a poll the 'A' Shareholder if he (not being a corporation) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote.
- 8.3.3 The 'A' Share shall cease to have attached thereto the rights as to voting contained in sub-Article 8.3.2 and 8.6 on the third anniversary of the adoption date and with effect from such third anniversary, the 'A'



Share shall not entitle the holder thereof to receive notice of or to attend or speak at any general meeting of the Company.

8.3.4 For the avoidance of doubt it is declared that the provisions of this Article 8.3 apply to general meetings of the Company and, if and for so long as the share capital of the Company is divided into shares of different classes, do not apply to separate general meetings of the holders of any class.

8.3.5 In this Article 8.3:

- (a) references to the "'A' Shareholder" are to the holder of the 'A' Share; and
- (b) references to votes cast by the 'A' Shareholder are to votes to which he is entitled by reason of the 'A' Share.

8.4 As regards appointment of Directors

The holder of the 'A' Share shall have the right to appoint directors contained in Article 75.

8.5 As regards redemption

Subject to the provisions of Part V of the Act the following provisions shall apply as regards the redemption of the 'A' Share:

8.5.1 The 'A' Share may at the option of the Company be redeemed at par on or at any time after the third anniversary of the adoption date, subject to the Company giving to the holder of the 'A' Share not less than 14 days prior notice in writing (a "Redemption Surrender Notice") of such redemption.

8.5.2 The holder of the 'A' Share shall be bound on receipt of the Redemption Surrender Notice to surrender to the Company the certificate for the 'A' Share in order that the same may be cancelled and upon such delivery and against such holder's receipt for the redemption money payable to him the Company shall pay to him such redemption money.

8.5.3 If the holder of the 'A' Share when it is liable to be redeemed pursuant to this Article fails or refuses to deliver up his certificate in accordance with the Redemption Surrender Notice then:

- (a) the Company may retain the redemption money until such delivery up or until delivery of an indemnity in respect thereof satisfactory to the Company but shall within seven days thereafter pay the redemption money to such holder; and



- (b) the holder of the 'A' Share shall have no rights as a member of the Company except the right to receive the sum of £1 payable on redemption of the 'A' Share.

8.5.4 Immediately following the redemption of the 'A' Share pursuant to this Article the nominal amount of the 'A' Share shall, by virtue of this provision, be automatically converted into 20 Ordinary Shares.

8.6 As regards variation of class rights

8.6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holder or holders of not less than three fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class but not otherwise. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be one person at least holding or representing by proxy not less than one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present that member who is present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

8.6.2 Subject always to sub-Article 8.6.4 below, the following matters shall (in addition to any other authority required by the Act or these Articles) each require an extraordinary resolution passed at a separate general meeting of the holder of the 'A' Share or the prior written consent of the holder of the 'A' Share:

- (a) any alteration or variation of any of the rights attached to any of the Shares issued for the time being in the capital of the Company;
- (b) the issue by the Company of shares or rights to subscribe for shares other than Ordinary Shares ranking *pari passu* in all respects with the existing Ordinary Shares in the capital of the Company;
- (c) the winding up or dissolution of the Company or any subsidiary of the Company;
- (d) any alteration of the Memorandum or Articles of Association of the Company;

- (e) the Company disposing of the whole or substantially the whole of the undertaking of the Busways Group whether by way of asset transfer, disposal of the share capital of any of its subsidiaries or otherwise;
- (f) any substantial change in the nature of the business of the Company taken as a whole.

8.6.3 Subject to sub-Article 8.6.4 below, if any resolution is proposed at a general meeting of the Company to remove a Workforce Director from office then the 'A' Shareholder if (not being a corporation) present in person or by proxy or (in the case of a corporation) present by its duly authorised representative shall on a poll have 51% of the votes capable of being cast at that meeting.

8.6.4 Sub-Articles 8.6.2 and 8.6.3 above shall cease to apply on, and shall have no force or effect from and after, the third anniversary of the adoption date.

75. The 'A' Shareholder may by notice in writing to the Company appoint a director either to fill a casual vacancy or as an additional director and may in like manner remove any director so appointed from office PROVIDED THAT:

- (a) no more than two directors appointed pursuant to this Article 75 shall hold such office at the same time;
- (b) no person shall be eligible to be appointed a director under this Article 75 who is not an employee of the Company and any such director who ceases to be an employee of the Company shall thereupon cease to hold such office.