

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

- of -

SOUTH LINK DEVELOPMENTS LIMITED

(Adopted by Special Resolution
passed on 22nd February 1990)

PRELIMINARY

1.

(a) In these Articles:-

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

"Table A" means 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).

"A" Director" means any Director for the time being appointed by Ashdene and holding office pursuant to Article 9.

"B" Director" means any Director for the time being appointed by OEDA and holding office pursuant to Article 9.

"the Company" means South Link Developments Limited.

"Ashdene" means Ashdene & Windsor Construction Limited

"OEDA" means Oldham Economic Development Association Limited

"the Development Agreement" means the Agreement dated 22nd February 1990 and made between Ashdene, OEDA and the Company

"the Statutes" means the Companies Act 1985 and any statutory amendment or replacement thereof for the time being in force and every other Act concerning companies and affecting the Company.

"subsidiary" and "holding company" shall have the same meanings respectively ascribed to them by section 736 of the Companies Act 1985.

(b) The regulations of Table A numbered 24, 35, 40, 64, 73 to 78 (inclusive), 80 and 118 shall not apply to the Company

COMPANIES REGISTRATION
23 FEB 1990

SHARES

- (a) The authorised share capital of the Company at the date of adoption of these Articles is £2,403 divided into 2,000 "A" Ordinary Shares of £1 each (in these Articles referred to as "the "A" Shares") and 403 "B" Ordinary Shares of £1 each (in these Articles referred to as "the "B" Shares").
- (b) The "A" Shares and the "B" Shares shall be separate classes of shares and save as hereinafter otherwise provided shall carry the same rights and privileges and shall rank pari passu in all respects.
- (c) Shares and any security convertible into shares shall not be issued without the prior consent in writing of all the holders for the time being of the "A" Shares and the "B" Shares.
- (d) Unless otherwise agreed in writing by all the holders for the time being of the "A" Shares and the "B" Shares, any shares hereafter created shall before allotment be offered for subscription in the first instance to the holders of the "A" Shares and the "B" Shares respectively in proportion as nearly as the circumstances will permit to the total numbers of "A" Shares and "B" shares respectively then in issue and as between the several holders of shares of each such class in proportion to the numbers of shares of the class then held by each of them respectively. Any such offer as aforesaid shall be made by notice in writing specifying the number and class of shares and the price at which the same are offered and limiting the time (not being less than 28 days) within which the offer if not accepted will be deemed to be declined.
- (e) At the expiration of the time limit specified by such offer for the acceptance of such shares the balance of any shares offered to the holders of shares of a class but not so accepted shall be offered for subscription to the holders of the shares of the other class who have accepted all the shares to which they are respectively entitled and who shall, if more than one, be entitled to subscribe for such balances of shares in proportion as nearly as the circumstances will permit to the number of shares of the class in question then held (including any shares accepted pursuant to the foregoing provisions of this Article) by each of them respectively.
- (f) Any shares offered to the holders of shares of one class which shall remain unaccepted when the procedure described in paragraph (e) of this Article is exhausted shall be offered for subscription in like manner and on the same terms to the holders of the shares of the other class.
- (g) Any shares allotted to a person who is already a holder of "A" Shares shall be designated as "A" Shares and shall accordingly be subject to such of the provisions of these Articles as are applicable to the "A" Shares. Any shares allotted to a person who is already a holder of "B" Shares shall be designated as "B" Shares and shall accordingly be subject to such of the provisions hereof as are applicable to the "B" Shares. Where any person is a holder of both "A" Shares and "B" Shares any Shares allotted to such person shall be redesignated as "A" Shares and "B" Shares in the same proportion in which such person holds "A" Shares and "B" Shares respectively.

- (h) The Directors may with the prior consent in writing of the holders of 95% of the "A" Shares for the time being in issue, allot, grant options over or rights to subscribe for or otherwise deal with or dispose of any relevant securities (as defined by section 80(2) of the Act) of the Company to such persons and generally on such terms and conditions as the Directors may think fit provided always that no share shall be issued at a discount, or otherwise in breach of the provisions of these Articles.
- (i) The general authority conferred by paragraph (h) of this Article shall be unconditional and shall extend to an amount of shares equal to the authorised share capital of the Company at the date of adoption of these Articles or such other amount as shall be authorised by the Company in general meeting. The said authority shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles unless renewed, varied or revoked by the Company in general meeting.
- (j) The Directors shall be entitled under the general authority conferred by paragraph (h) of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority and shall be entitled to allot pursuant to any such offer or agreement any relevant securities.
- (k) By virtue of section 95(1) of the Act sections 89(1) and 90 of the Act shall not apply to any allotment of equity securities (as defined in section 94(2) of the Act) by the Company.
- (l) Subject to the provisions of the Statutes and with the prior consent in writing of the holders of 95% of the "A" Shares for the time being in issue, the Company may purchase any of its own shares (including any redeemable shares) and the Company may make a payment in respect of any purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

3.

LIEN

- (a) The lien conferred by Regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders. Regulation 8 shall be modified accordingly.

4.

CLASS RIGHTS

- (a) The special rights attached to the "A" Shares and the "B" Shares may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the prior consent in writing of the holders of 95% of the "A" Shares for the time being in issue passed at a separate meeting of the holders of the "A" Shares. To every such 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 two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class unless all the shares of any

class are registered in the name of a single corporate shareholder in which case the quorum shall be one person being the duly authorised representative of such shareholder (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members as are present shall be a quorum).

5.

TRANSFER OF SHARES

- (a) Unless otherwise agreed in writing by all the members for the time being of the Company no share or any interest therein shall be transferred to any person other than in accordance with the subsequent provisions of this Article.
- (b) A holder of shares may at any time transfer all or any shares or any interest therein to its nominee.
- (c) Except in the case of a transfer of shares expressly authorised by paragraph (b) of this Article before transferring any share or any interest therein a person proposing to transfer the same ("the proposing Transferor") shall give a notice in writing ("the Transfer Notice") to the Directors sent by post to or left at the registered office of the Company that he desires to transfer shares ("the Sale Shares") at the Sale Price as defined in paragraph (1) of this Article accompanied by the relevant share certificates. The Transfer Notice shall state the number and class of shares which the proposing Transferor desires to transfer. The Transfer Notice shall also give details of the person to whom the proposing Transferor wishes to transfer the shares in the event that no purchaser shall have been found. The Transfer Notice shall constitute the Directors the agent of the proposing Transferor for the sale of the Sale Shares at the Sale Price. The expression "Transfer Notice" shall include a deemed transfer notice as described in paragraph (e) of this Article.
- (d) A Transfer Notice may only be given by a proposing Transferor in respect of all and not part only of the shares held by the proposing Transferor. A deemed Transfer Notice can only arise in respect of all the shares held by the member suffering one of the events referred to in paragraph (e) of this Article and a deemed Transfer Notice may not be withdrawn in any circumstances.
- (e) If any of the following events are suffered by a member then such member shall be deemed to have served a Transfer Notice pursuant to the provisions of this Article 5 in respect of all the shares held by that member in the capital of the Company immediately and all the provisions of this Article 5 shall apply as if such notice had actually been given:-
 - (i) any member being a corporation goes into liquidation (voluntary or otherwise) (other than for the purposes of amalgamation or reconstruction) or has a receiver, administrative receiver or receiver and manager appointed over all or part of its assets;
 - (ii) any member being the holding company to which shares have been transferred by its subsidiary, ceases to be such holding company or any member being the subsidiary to which shares have been transferred by its holding company ceases to be such subsidiary, and such holding company or subsidiary company (as the case may be) shall not have re-transferred such shares to its subsidiary or holding company (as the case may be) within 28 days of such

holding company ceasing to be a holding company, or such subsidiary company ceasing to be a subsidiary company (as the case may be).

- (f) Within 14 days after a Transfer Notice has been received by the Company or, is deemed to have been given or, if later, within 14 days after the Sale Price shall have been determined, the Directors shall offer the Sale Shares giving details in writing of the number of the Sale Shares and the Sale Price in the case of the "A" Shares to the holders of the then existing "A" Shares (other than the proposing Transferor) pro rata as nearly as may be in proportion to the numbers of "A" Shares then held by such holders and in the case of the "B" Shares to the holders of the then existing "A" Shares (other than the proposing Transferor) pro rata as nearly as may be in proportion to the existing numbers of "A" Shares then held by such holders and inviting each such shareholder to state in writing (sent by post to or left at the registered office) within 14 days from the date of the offer notice whether he is willing to purchase any of the Sale Shares at the Sale Price and if so, the maximum number thereof. The Directors shall give notice in writing to the proposing Transferor of the identity of any such member or members ("Purchaser" or "Purchasers") willing to accept the offer and of the number of shares of the relevant class they are willing to purchase. The Directors shall also give details to the holders of the then existing "A" Shares and the "B" Shares of the person to whom the proposing Transferor wishes to transfer the Sale Shares in the event that no Purchaser shall have been found.
- (g) The Directors shall on the expiration of the above period give notice to the proposing Transferor of the numbers of Sale Shares which members are willing to purchase. Every such notice shall state the name and address of each proposed purchaser and the number of shares agreed to be purchased by him.
- (h) If the offer is duly accepted in respect of all the Sale Shares by members holding shares of the same or other class the proposing Transferor shall be bound upon payment of the Sale Price to transfer such shares to the Purchaser or Purchasers thereof. The purchase shall be completed within 14 days of the expiry of the said 14 day period referred to above at the registered office of the Company at a time to be appointed by the Directors.
- (i) No offer of Sale Shares made by the Directors pursuant to this Article shall be capable of acceptance until all of the Sale Shares shall have been accepted.
- (j) If the Directors do not before the expiry of 14 days after the date of the offer notice referred to above find Purchasers for the Sale Shares pursuant to this Article the proposing Transferor shall be at liberty to sell and transfer all (but not some only) of the Sale Shares for which no Purchasers shall have been found at any time within the following six months to any person or persons in pursuance of a bona fide sale at any price not being less than the Sale Price.
- (k) If any person, having become bound to transfer any Sale Shares pursuant to this Article, makes default in so doing the Directors may authorise some person to execute a transfer of such Sale Shares and the Company may receive the purchase money and shall thereupon become entitled to enter the name of the transferee as the holder of such shares in the

Register of Members of the Company and shall hold such purchase money on behalf of such person. The Company shall not be bound to earn or pay interest on any money so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the Register of Members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

- (1) For the purposes of this Article 5 the expression "the Sale Price" shall mean the price per share, if any, specified in the Transfer Notice as the sum which the proposing Transferor claims to be the fair value of the Sale Shares or if no sum per share is specified in the Transfer Notice or if a Transfer Notice is deemed to have been given under these Articles or if the Purchaser when accepting the offer to purchase the Sale Shares notifies the Company that he does not accept such sum as the fair value of the Sale Shares, shall be the fair value per share as the auditors of the Company from time to time (acting as experts and not as arbitrators) shall state in writing to be in their opinion the fair selling value of the business of the Company as a going concern and on the basis of an arm's length transaction as between a willing vendor and a willing purchaser but disregarding the fact that the Sale Shares may comprise a minority or controlling holding in the Company and any difference in the rights attributable to the "A" Shares and the "B" Shares. The determination of the auditors shall be final and binding on all concerned and the cost of obtaining the certificate of the auditors shall be borne by the Company. For this purpose the auditors shall be given by the Directors, and shall take account of, all information which a prudent prospective purchaser of the entire issued share capital of the Company might reasonably require if such purchaser were proposing to purchase it from a willing vendor by private treaty at arm's length.
- (m) The foregoing provisions of this Article 5 shall not apply in the case of a member being a holding company to a transfer to its subsidiary or by a member being a subsidiary to its holding company or to any other subsidiary of the holding company. In the case of a company which is controlled by a Local Authority, such Local Authority shall be treated as a holding company for the purposes of this Article.
- (n) Notwithstanding anything contained in these Articles the Directors may decline to register any transfer of a share on which the Company has a lien or any transfer of any share whether or not a fully paid share to a person of whom they shall not approve.
- (o) Whenever a Share is transferred to a member holding shares only of another class, such first mentioned share shall ipso facto, and forthwith be converted into and redesignated as a share of such other class.

PROCEEDINGS AT GENERAL MEETINGS

6.

- (a) No business shall be transacted at any general meeting unless the requisite quorum of members is present at the time when the meeting proceeds to business and also when such business is voted upon. Two members personally present (being holders of "A" Shares) shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 375 of the Act.

In the event that at any duly convened meeting of the members, the meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be 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 may be agreed in writing by the members present) and at such adjourned meeting, any members present shall be the quorum.

- (b) The Chairman of a General Meeting shall be appointed by Ashdene and in the case of an equality of votes at such meeting (whether on a show of hands or on a poll) the Chairman shall be entitled to a second or casting vote and Regulation 50 of Table A shall apply accordingly.

VOTES OF MEMBERS

7.

- (a) Subject as provided below in this paragraph, and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, whether on a show of hands, or on a poll, every "A" share held shall carry one vote each.
- (b) "B" Shares shall confer no voting rights on its holders.

DIVIDENDS

8.

- (a) The holders of the "A" Shares and the "B" Shares shall be entitled to receive a dividend on those shares which shall be paid on the "A" shares and the "B" shares as if the same constituted one class of shares, and which dividend shall be paid, as between the holders thereof, pro rata to their shareholdings in the Company.
- (b) Any dividend shall first be declared by the holders of the "A" Shares by Ordinary Resolution in general meeting and paid as soon as reasonably practicable thereafter but in any event, subject to, and in accordance with the terms of the Development Agreement.
- (c) No dividend shall be declared in excess of the amount recommended by the Board of Directors.

NUMBER OF DIRECTORS

9.

- (a) Unless or until otherwise determined by Special Resolution of the holders of the "A" Shares the number of Directors (other than alternate directors) shall be not less than five (or such greater number as shall be agreed by Ashdene and OEDA), of whom three shall be appointed by Ashdene and two shall be appointed by OEDA. Any Director so appointed by Ashdene shall be an "A" Director and any Director so appointed by OEDA shall be a "B" Director.
- (b) Ashdene may appoint any person to be a Director but so that not more than three shall be appointed by Ashdene and may in like manner remove any Director appointed by Ashdene and appoint another in his place and similarly fill any other vacancy in the Directors to be appointed by Ashdene. Any such appointment or dismissal shall take effect at and from the time when the memorandum is lodged at the registered office of the Company or produced to a meeting of the Directors.

- (c) The rights conferred by the preceding paragraph on Ashdene shall mutatis mutandis apply in respect of OEDA in relation to the Directors appointed by OEDA.

10.

PROCEEDINGS OF DIRECTORS

- (a) The quorum for the transaction of the business of the Directors shall be two (of whom one at least shall be a Director appointed by Ashdene and one at least a Director appointed by OEDA) and Regulation 89 of Table A shall be amended accordingly.
- (b) The Directors may from time to time appoint committees consisting of one or more Directors appointed by Ashdene and one or more Directors appointed by OEDA and may delegate any of their powers to any such committee and from time to time revoke any such delegation and discharge any such committee wholly or in part.

In the event that at any duly convened meeting of the Directors, or of any committee of Directors, the meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be 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 an "A" Director and "B" Director may agree in writing) and at such adjourned meeting the quorum shall be any two Directors.

- (c) Any Director or member of a committee of the Directors may participate in a meeting of the Directors or of such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting
- (d) The Chairman of the Directors shall be appointed by Ashdene and Regulation 91 of Table A shall be amended accordingly. In the case of an equality of votes at a meeting of the Directors (or any committee of the Directors) the Chairman shall have a second or casting vote and the fifth sentence of Regulation 88 of Table A shall apply accordingly.
- (e) Notwithstanding any provision in these Articles to the contrary a Director appointed by Ashdene or by OEDA (as the case may be) shall in the absence from any meeting of the Directors of any Director or Directors appointed by them be entitled to exercise without production of any authority in that behalf all voting powers which such absent Director or Directors would have been entitled to exercise at such meeting had he or they been present thereat.
- (f) The Directors shall not be liable to retire by rotation and accordingly the second and third sentences of Regulation 79 of Table A shall be deleted.

11.

INDEMNITY

Subject to the provisions of the Act every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs charges expenses 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 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.

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 proper execution of the duties of his office or in relation thereto

12.

NOTICES

Any notice or document may be served by the Company on any member either personally or by sending it through the post in a pre-paid letter addressed to such member at his address as appearing in the Register of Members of the Company or by leaving it at that address. Any notice or other documents if served by post shall be deemed to have been served at the time when the letter containing the same is posted and in proving such service it shall be sufficient proof that the letter containing the notice or document was properly addressed pre-paid and posted. Notices served on Directors of the Company must also be served on their alternates (if any). Regulations 112 and 115 of Table A and the words "within the United Kingdom" in Regulation 116 of Table A shall not apply. The provisions of this Article shall apply to a member serving notice on the Company and such notice must be served on the registered office of the Company from time to time.