

Company Number: 3058990

The Companies Act 1985

Company Limited by Shares

Resolution

of

Kirkley Hall Services Limited

(passed the 17th day of December 1996)

At an Extraordinary General Meeting of the Company duly convened and held on the 17th day of December 1996 the following resolution was duly passed as a special resolution:-

Special Resolution

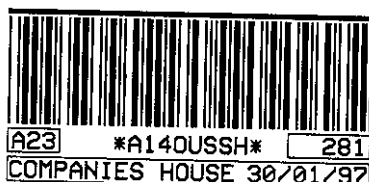
That the existing Articles of Association of the Company be abrogated in their entirety and replace with the new Articles of Association attached to this resolution.

AK

.....*AK*.....  
Company Secretary

.....17.12.1996.....  
Dated

{93172}/AHR-SAVE/jg



WE HEREBY CERTIFY THAT THIS IS A TRUE COPY  
OF THE ARTICLES OF ASSOCIATION OF THE  
BELOW NAMED COMPANY ASADOPTED BY SPECIAL  
RESOLUTION PASSED ON THE 17TH DAY OF  
DECEMBER 1996

.....*Eversheds*.....

EVERSHEDS SOLICITORS

**Companies Act 1985**

**Private Company Limited by Shares**

**Articles of Association**

**of**

**KIRKLEY HALL SERVICES LIMITED**

**Company Registration Number 3058990**

**Eversheds Ingledew Wright  
Solicitors  
Milburn House  
Dean Street  
Newcastle upon Tyne  
NE1 1NP**

**Tel: 0191 2611661**

**Fax: 0191 2618270**

**Ref: RMVJ.AHR.(99399).CC.sw**

1. INTERPRETATION

- 1.1 In these presents the words standing in the first column of the table next to and hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context.

Words

Meanings

The Act

The Companies Act  
1985 as amended by the  
Companies Act 1989.

These presents

The Articles of  
Association of  
the Company from  
time to time in force.

The Company

The above named  
Kirkley Hall Services  
Limited

The Board

The board of directors  
for the time being of  
the Company.

The Office

The registered office  
of the Company.

|        |   |
|--------|---|
| Month  | a calendar month  |
| Member | Kirkley Hall College<br>Further Education<br>Corporation of<br>Ponteland,<br>Northumberland NE20 0AQ<br>in the person(s) of<br>such authorized<br>representative(s) of<br>the Member as shall be<br>decided by the Board of<br>Governors of the Member<br>("the Governors") from<br>time to time. |

|                  |   |
|------------------|---|
| Deed of Covenant | The Deed of Covenant to<br>be entered into by the<br>Company in favour of<br>the Member whereby the<br>Company will undertake<br>to covenant to the<br>Member the lower of its<br>annual taxable profits<br>or its profit available<br>for distribution (as<br>defined by Section 263<br>of the Act). |
|------------------|---|

1.2 Words importing the singular number only shall include the plural number, and vice versa.

- 1.3 Words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations.
- 1.4 Subject to the aforesaid any words or expressions defined in the Act or any statutory modifications thereof in force at the date on which these presents become binding on the Company, shall, if not inconsistent with the subject or context, bear the same meanings in these presents.
- 1.5 The regulations contained in Table A in the schedule to the Company's (Tables A-F) Regulations 1985 (SI 1985 No. 805) as amended by the Company's (Tables A-F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called Table A) shall apply to the Company save insofar as they are excluded or varied hereby and such regulations (save as to exclude or varied) and the Articles hereinafter contained shall be the regulations of the Company.
2. The number of members with which the Company was registered was two (2) but with affect from the date of admission to membership of the Member, the number of members shall be no greater than one.
3. The provisions of sections 352 and 353 of the Act shall be observed by the Company.
4. The Company is established for the objects declared in the Memorandum of Association.

#### ALLOTMENT OF SHARES

5. Shares which are comprised in the authorized share capital with which the Company is incorporated shall be under the control of the Board who may allot, grant options or otherwise dispose of the same to the Member only on such terms and in such matter as they think fit.
6. All shares which are not comprised in the authorized share capital with which the Company is incorporated which the Board propose to issue shall only be offered to the Member. The offer should be made by notice specifying the number of shares offered, and limiting the period (not being less than 14 days) in which the offer if not accepted would be deemed to be declined. In the event that the offer is declined the shares shall not be issued.
7. The Board is authorized for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorized share capital with which the Company is incorporated to the Member at any time or times during the period of 5 years from the date of incorporation and the Board may at the period allot any shares or grant any such rights under this authority to the Member in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the section 80) be renewed, revoked or

varied by Ordinary Resolution of the Company in General Meeting.

#### SHARES

8. The lien conferred by regulation 8 in Table A shall attach also to fully paid up shares, and the Company shall also have a first and paramount lien on all shares issued to the Member whether fully paid or not, if the Member remain indebted or under liability to the Company, for all monies presently payable by the Member to the Company. Regulation 8 in Table A shall be modified accordingly.
9. The liability of the Member in default shall be increased by the addition at the end of the first sentence of clause 80 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non payment".

#### SHARE TRANSFERS

10. The Member shall not dispose of any interest in or right attaching to, or renounce or assign any right to receive or subscribe for any share (save as may be required in pursuance of obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any share or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of the above, save with the unanimous consent of the Governors as shall from time to time be appointed.

11. The Directors shall refuse to register any transfer or dealing in a share more accurately detailed in Article 10 above, save where the unanimous written consent of the Board of Governors as aforesaid is received by the Company.

#### GENERAL MEETINGS AND RESOLUTIONS

12. A general meeting of the Company shall be held in every calendar year as its Annual General Meeting at such time (not being more than fifteen months after the holding of the last preceding General Meeting) and place as the Board shall appoint provided that so long as the Company shall hold its first Annual General Meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation.
13. All general meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.
14. The Board may, when it thinks fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall be convened on such requisition or, in default may be convened by such requisitionists, as provided by section 368 of the Act.
15. Subject to the provisions of section 378(2) and (3) of the Act relating to special resolutions, and to the provisions of section 369 of the Act relating to Annual General Meeting, fourteen days notice at the



least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place, the day and the hour of the meeting, and in case of special business the general nature of such business, shall be given to the member in a manner hereinafter mentioned, or in such other manner (if any), as may be prescribed by the Company or general meeting; but with the consent of the Member in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as the Member thinks fit.

#### PROCEEDINGS AT GENERAL MEETINGS

16. The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the directors and an auditor and to elect an auditor and fix his remuneration. All other business transacted at an Annual General Meeting shall be deemed special.
17. No business shall be transacted at any general meeting except the adjournment of the meeting, unless a quorum is present at such time when the meeting proceeds to business, and such quorum shall be one, being the Member, who shall attend in the person of its duly appointed representatives. For the avoidance of doubt if the duly appointed representatives shall number more than one, a quorum shall not be present unless all the representatives as aforesaid (or their duly appointed proxies attend).

18. If within one hour from the time appointed for the meeting a quorum not be present, the meeting, if convened upon the requisition of the Member shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum not be present within one hour from the time appointed for the meeting the meeting shall then be dissolved.
19. At any general meeting a resolution put to the vote of the meeting shall be decided by the Member present in person or by proxy and a declaration that a resolution has been carried or not, and an entry to that effect made in the minute book of the Company shall be conclusive evidence of the vote recorded in favour of or against that resolution.

#### VOTES OF MEMBER

20. The Member shall have one vote.
21. (A) Save as herein expressly provided no persons other than the Member shall be entitled to vote on any question, either personally or by proxy at any general meeting.
- (B) The Member may authorize in writing such person as it thinks fit to act as its representative at all meetings of the Company and the Member shall be deemed for all purposes to be present in person. In the event that such person is unable to attend a particular meeting the provisions of Article 22 shall apply. A copy of the resolution

appointing the representatives which shall be certified as a correct copy by the Chair of the Governors as shall be appointed from time to time shall be conclusive evidence of such appointment.

22. The Member shall be entitled to appoint a proxy to attend a general meeting of the Company to speak thereat and to vote on behalf of its duly appointed representative provided that nothing herein contained shall permit the Member to be represented by a proxy at more than three general meetings of the Company in any given calendar year and further provided that any such duly appointed proxy shall at all times be chosen from the Board of Governors of the Member.
23. The instrument appointing a proxy shall be in writing under the hand of the appointor and shall be deposited at the office at least 48 hours before the time appointed for holding the meeting at which the person named in such instrument proposes to vote, otherwise the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

#### BOARD OF DIRECTORS

24. The affairs of the Company shall be managed by the Board which shall be quorate in accordance with Article 28 hereto. The Board shall not be less than 2 and not greater than 10.

25. The Board may delegate any of its powers to an individual Board member or a Committee of the Board consisting of such members as the Board thinks fit, and any such individual or committee shall in the execution of the powers so delegated conform to any regulations imposed on it by the Board. The meetings and proceeding of any such committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superceded by any regulations made by the Board as aforesaid. All acts and proceedings taken by any such individual or committee shall be reported to the Board as soon as practically possible thereafter.
26. The members of the Board shall be such persons as shall from time to time be elected thereto by the Board or by the Member in general meeting and for the avoidance of doubt shall be either Governors or employees of the Member.
27. There shall be no right to appoint alternate directors and regulations 65-69 (inclusive) of Table A shall not apply to the Company.

#### PROCEEDINGS OF THE BOARD

28. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Two shall be a quorum. Questions arising at any meeting shall be decided by a majority

of votes. In case of an equality of votes the chair shall have a casting vote.

29. A member of the Board may, and on the request of a member of the Board, the Secretary shall at any time, summon a meeting of the Board by notice served upon the serving members of the Board. Unless circumstances require the summoning of a meeting of the board on shorter notice, twenty-one days notice of each meeting of the Board shall be given. A member of the Board who is absent from the United Kingdom and who has no registered address in the United Kingdom shall not be entitled to notice of a meeting.
30. The Board shall from time to time elect a chair of the Board who shall be entitled to preside at all meetings of the Board at which he shall be present, and may determine for what period he is to hold office, but if no such chair of the Board be elected or if at any meeting the chair be not present within five minutes after the time appointed for holding the meeting and willing to preside, the members of the Board shall choose one of their number to be chair of the meeting.
31. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Company for the time being vested in the Board generally.
32. All acts bona fide done by any meeting of the Board, or by any person acting as a member of the Board

shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every person had been duly appointed or had duly continued in office and was qualified to be a member of the Board.

33. The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of the Company and of the Board, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the chair of such meeting, or by the chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
34. A resolution in writing signed by all the members of the Board who are duly entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and constituted.

#### POWERS OF THE BOARD

35. At meetings of the Board, each member of the Board shall subject to Article 28 above have one vote only.
36. The members for the time being of the Board may act notwithstanding any vacancy in their body, provided always that if at any time the members of the Board be reduced in number below the minimum prescribed by

these presents it shall be lawful for the members available to act as the Board for the purpose of admitting persons to membership of the Company, filling up vacancies in their body or of summoning a general meeting but for no other purpose.

37. The Board may at any time appoint any person (subject to Article 26 above) to be a member of the Board to fill a casual vacancy. Any person so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election at that meeting.

38. The Board may from time to time make all such regulations and bye-laws as it thinks proper with regard to the affairs and concerns of the Company, and from time to time to repeal and alter the same or make others in lieu thereof as may seem expedient provided that the same do not contravene any of the provisions herein contained, and provided that no bye-laws or regulations shall be made under this power which would amount to such an addition to or modification of the Articles of Association as could only legally be made by a Special Resolution passed in accordance with the provisions of Section 378 of the Act.

#### REMOVAL OF MEMBERS OF THE BOARD

39. The Company may by ordinary resolution, of which special notice has been given in accordance with Section 379 of the Act, remove any member of the

Board notwithstanding anything in these presents or in any agreement between the Company and such member.

40. The Company may (subject to Article 26 above) by ordinary resolution appoint another person in place of a member of the Board removed from office under the immediately preceding Article. Without prejudice to the powers of the Board under Article 36 (and subject to Article 26 as aforesaid) the Company in general meeting may appoint any person to be a member of the Board to fill a casual vacancy.

41. The Directors shall not be required to retire by rotation and regulations 73-80 (inclusive) of Table A shall not apply to the Company.

#### DISQUALIFICATION OF MEMBERS OF THE BOARD

42. The office of a member of the Board shall be vacated:

- (A) If he becomes bankrupt or insolvent or compounds with his creditors;
- (B) If he becomes of unsound mind;
- (C) If he is convicted of an offence the commission of which by a member of the Board could bring the Company into disrepute;
- (D) If he fails to attend three meetings of the Board duly convened and held within any period of twelve consecutive calendar months;



- (E) If he ceases to be either a Governor or an employee (as the case may be) of the Member.
- (F) If he is requested in writing by a majority of his fellow members of the Board to resign;
- (G) If he gives to the Board one month's notice in writing to the effect that he resigns his office;
- (H) If the majority of the Governors of the Member as shall be appointed from time to time resolve that he be asked to resign and upon the production of a written request executed by the Board of Governors as aforesaid to that director;

#### DECLARATIONS OF INTEREST

43. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract, arrangement or dealing with the Company, shall declare the nature of his interest at a meeting of the Board and he shall not be counted in the quorum present at any meeting of the Board whereat such contract, arrangement or dealing is considered or entered into, shall not be entitled to participate in the discussions at such meetings and shall not vote in respect thereof PROVIDED THAT any director shall not be regarded as interested in contracts with the Member simply by virtue of such employment or governorship with or of the Member.

#### SECRETARY

44. The Secretary shall be appointed by the Board on such terms as to length of service, remuneration and generally as the Board may think fit and the Board may remove any Secretary so appointed. The provisions of Sections 283(1) - (3) and 284 of the Act shall be observed. The Board may from time to time appoint a deputy or assistant Secretary who may act in the place of the Secretary if there be no Secretary or no Secretary available to act or capable of acting.

#### INCOME

45. The income of the Company shall be applied (subject at all times to Article 46 hereafter) solely towards the promotion of the objects of the Company set out in the Memorandum of Association of the Company and the Company shall not at any time declare any dividend, make any bonus payment or distribute the distributable profits of the Company in any way howsoever save as expressly stipulated in Article 46 below.
46. Following the proper performance of the Company's objects the Company shall covenant such sums as are required under the Deed of Covenant to the Member upon the terms of the aforementioned Deed of Covenant.
47. The Company shall not make any payment to any member of the Board in respect of salary, fees remuneration or other benefit in money or monies worth, save in

respect of reasonable out of pocket expenses properly incurred in carrying out the duties of the Company.

#### ACCOUNTS

48. The Board shall cause accounting records to be kept in accordance with Sections 221 - 223 of the Act.
49. The books of account shall be kept at the office or, subject to Section 221(1) and (2) of the Act, at such other place or places as the Board may determine, and shall always be open to the inspection of the Board. The Board may from time to time by resolution determine whether and to what extent and at what times and places and on what conditions the books and accounts of the Company or any of them shall be open to the inspection of the members not being members of the Board, and the members shall have only such rights of inspection as are given to them by the Act or by such resolution as aforesaid.
50. At the Annual General Meeting in every year the Board shall lay before the Company an income and expenditure account for the period since the preceding account, or in the case of the first account since the incorporation of the Company, made up to a date not more than six months before such meeting. A balance sheet as at the date to which income and expenditure account is made up, shall be made out and laid before the Company at the Annual General Meeting. Every such balance sheet shall be accompanied by proper reports of the Board and auditor, together with a report quantifying the sums

to be covenanted to the Member under the Deed of Covenant. A copy of every balance sheet which is to be laid before the Company in general meeting together with a copy of the auditors report, shall, twenty one clear days previously to such meeting, be sent to the auditor and the Member in the manner in which notices are hereinafter directed to be served.

#### AUDIT

51. Auditors shall be appointed and their duties regulated in the manner provided by Sections 236, 237, 241, 262, 384-392 and 713 of the Act, or any statutory modification thereof for the time being in force.

#### NOTICES

52. A notice may be served by the Company either personally or by sending it through the post addressed to the offices of the Member and marked for the attention of its authorized representative from time to time appointed by that Member.
53. Any notice if served by post shall be deemed to have been served at the expiration of twenty-four hours after the same shall have been posted and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put into the post office or into any post box subject to the control of the Postmaster General.

#### INDEMNITY

54. a. 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 judgment 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.
- b. The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act from and after the bringing into force of Section 137 of the Companies Act 1989.