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**The Companies Acts 1985 to 1989**

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**Memorandum and Articles of Association**

**of**

**NORTHUMBRIA ENTERPRISE LTD**

**a company limited by shares**

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**Incorporated on the 27<sup>th</sup> day of April 1998**

**Registered No. 3556450**

THE COMPANIES ACT 1985

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NOTICE OF SPECIAL RESOLUTION

pursuant to Section 164 of the Companies Act 1985

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WANSBECK ENTERPRISE LIMITED

Company Registration No 3556450

Incorporated on the 27th day of April 1998

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At an Extraordinary General Meeting of the Members of the above named company, duly convened was held at the Town Hall, Station Road, Ashington on 15th February 1999, the following SPECIAL RESOLUTION was duly passed:-

That the Articles of Association be amended as follows:-

Article 18 be amended by replacing the word 'eight' by 'ten' in reference to the maximum board number of directors.

Article 19 be amended by replacing the word 'four' by 'five'.

Article 20 be amended by replacing the word 'four' by 'five'.

Signed D. B. Brown  
Company Secretary

Date 23 Feb 99

**THE COMPANIES ACTS 1985 TO 1989**

**PRIVATE COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION OF**

**NORTHUMBRIA ENTERPRISE LTD**

**(adopted by Special Resolution passed on 27 April 1998)**

**(amended by special resolution on 15 February 1999)**

**(amended by special resolution on 15 April 2002)**

1. The Company's name is NORTHUMBRIA ENTERPRISE LTD
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:-
  - 1) To create and further economic development in the counties of Northumberland and Tyne and Wear in any manner whatsoever permitted by law.
  - 2) To carry on business as a general commercial company.
  - 3) To encourage the setting up or expansion of any commercial industrial or public undertaking in the counties of Northumberland and Tyne and Wear in any manner whatsoever permitted by law.
  - 4) To encourage and support business in the counties of Northumberland and Tyne and Wear.
  - 5) To provide office and industrial premises and accommodation in the counties of Northumberland and Tyne and Wear.
  - 6) To provide serviced land for development in the counties of Northumberland and Tyne and Wear.
  - 7) To promote investment, research and other scientific or technological work in connection with the business of the organisation and its industry and other trades and industries allied therewith or ancillary thereto, and to encourage and improve the education of persons where this would benefit the scientific and technological progress of the said trades and industries.
  - 8) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

- 9) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d' invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- 10) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- 11) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- 12) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- 13) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- 14) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and

guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

- 15) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- 16) To apply for, promote and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- 17) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- 18) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- 19) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- 20) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

- 21) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- 22) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- 23) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares of other securities of the Company credited as paid up in full or in part of otherwise as may be thought expedient.
- 24) To distribute among the Members of the Company in kind any property of the Company of whatever nature, in accordance with their rights granted by their shares.
- 25) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- 26) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payment towards insurance including insurance for any Director, officer or Auditor against any liability as is referred to in Section 310(1) of the Act; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

- 27) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- 28) To procure the Company to be registered or recognised in any part of the world.
- 29) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- 30) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or of any of the powers given to it by the Act or by this Clause.

AND so that:-

- 1) None of the Provisions set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such provisions, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
  - 2) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
  - 3) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
4. The liability of the Members is limited.
  5. The Company's share capital is £1000 divided into 1000 shares of £1 each; which are divided into 500 Ordinary Shares of £1 each and 500 Voting Shares of £1 each.

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

Name and Address of Subscribers	Number of shares taken by each Subscriber
1. Wansbeck District Council Town Hall Ashington Northumberland NE63 8RX  Under the hand of Anthony Gerald White <b>ANTHONY GERALD WHITE</b> Occupation: Chief Executive  Witnessed by <b>D A BOWMAN</b>	One Hundred Ordinary Shares One Hundred Voting Shares
2. Northern Rock PLC Northern Rock House Regent Centre Gosforth Newcastle upon Tyne  Under the hand of Colin Blakey <b>COLIN BLAKEY</b> Occupation: Director of Commercial Development  Witnessed by <b>D A BOWMAN</b>	Twenty Five Voting Shares
Total shares taken	Two Hundred and Twenty Five

Dated this 22nd day of April 1998

Witness to the above Signatures:-

Name: David Alexander Bowman

Address: c/o Wansbeck District Council  
Town Hall  
Ashington  
Northumberland



# **THE COMPANIES ACTS 1985 TO 1989**

## **PRIVATE COMPANY LIMITED BY SHARES**

### **NEW ARTICLES OF ASSOCIATION**

(As adopted by Special Resolution passed on 27<sup>th</sup> April 1998  
amended by Special Resolution passed on 15 February 1999  
and amended by Special Resolution

**of**

### **NORTHUMBRIA ENTERPRISE LTD**

**(Incorporated on 27<sup>th</sup> April 1998)**

#### **PART 1 – PRELIMINARY**

##### **1. Interpretation**

- (1) In these Articles, if not inconsistent with the subject or context and save as expressly provided therein, the following words and expressions shall have the following meanings:

“Act”	means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.
“Articles”	means the articles of association of the Company from time to time in force and the expression “Article” shall be construed accordingly.
“Board”	means the Board of Directors from time to time of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present.
“clear days”	in relation to a period of 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”	means Northumbria Enterprise Ltd
“Director”	means a director for the time being of the Company

"holder"	means in relation to shares the member whose name is entered in the Register as a holder of those shares.
"Member"	means a member of the Company whose name is entered in the Register.
"month"	means calendar month.
"Net Profit"	in relation to the calculation of the Profits Dividend has the meaning ascribed to it in article 3(3) below.
"Office"	means the registered office for the time being of the Company.
"Ordinary Shares"	means shares in the capital of the Company which do not confer a right on the holder to vote at general meetings of the Company save on a resolution to wind up the Company but which entitle the holder to income and capital as provided in these Articles.
"paid up"	includes credited as paid up.
"present in person"	includes the presence of a body corporate or unincorporate by a duly authorised representative.
"Profits Dividend"	has the meaning ascribed to it in article 3(1) below.
"Register"	means the register of Members.
"Seal"	means the common seal of the Company or any official seal the Company may have pursuant to the Act.
"Table A"	means Table A in the schedule to the Companies (Tables A to F) Regulations 1985.
"United Kingdom"	means Great Britain and Northern Ireland.
"Voting Shares"	means shares in the capital of the Company which confer a right on the holder to vote at general meetings of the Company but not the right to income or capital save, in the case of capital, to the nominal amount paid up on the shares.
"Wansbeck"	means Wansbeck District Council or its statutory successor.
"year"	means calendar year.

- (2) Save as mentioned above and unless the context otherwise requires, words or expressions in these Articles or any part thereof shall bear the same meaning as in the Act but excluding any statutory modification of the Act not in force at the date of the adoption of these Articles or that part of these Articles (as the case may be) save that the word "company" shall include any body corporate.
- (3) Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is required, a special resolution shall also be effective.
- (4) The regulations contained in Table A, save as excluded or varied by or inconsistent with these Articles, shall apply to the Company and together with these Articles shall constitute the regulations of the Company.
- (5) Regulations 50, 65-69 (inclusive), 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 117 of Table A shall not apply to the Company.

## PART II - SHARE CAPITAL

2. The authorised share capital of the Company at the date of the adoption of these Articles is £1,000 divided into:

- (6) 500 Ordinary Shares of £1 each.
- (7) 500 Voting Shares of £1 each.

each class of shares having the rights attached to that class below.

### 3. **Income**

- (1) The profits of the Company available for distribution shall be applied in paying to the holders of Ordinary Shares in respect of each financial year of the Company a dividend (hereafter referred to as "Profits Dividend") equal to the whole of the Net Profit (calculated as hereafter provided) of the Company and its subsidiaries for the relevant financial year. The Profits Dividend (if any) shall be paid not later than eleven months after the end of each successive accounting reference period of the Company.
- (2) The Voting Shares shall not be entitled to a Profits Dividend or any other dividend.
- (3) For the purpose of calculating the Profits Dividend, "Net Profit" means the profit of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year:

- (a) before any payment or provision is made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserve and before charging or crediting extraordinary items; and
  - (b) after reserving for any corporation tax (or any other tax levied upon or measured by reference to the profits or gains) on the profits of the Company and its subsidiaries.
  - (c) after reserving a reasonable sum for working capital purposes as shall be agreed by the Board or in default of agreement by the Board such sum as may be certified by the auditors for the time being of the Company acting as experts and not as arbitrators. PROVIDED that the said reserve shall not exceed 20% of the profits of the Company available for distribution, without the prior written approval of Wansbeck District Council.
  - (d) after payment of any capital and interest due under mortgages, legal charges, floating charges and prudential payment of unsecured loans.
- (4) Each dividend shall be distributed to the Ordinary shareholders according to the amounts paid up on the ordinary Shares and shall accrue from day to day.
  - (5) Unless the Company is prohibited by law from making a distribution, the Profits Dividend shall accrue, become a debt due from the Company to the Ordinary shareholder and become payable immediately on the due date notwithstanding that there has been no recommendation for a dividend by the Board or a resolution of the Company authorising the payment of a dividend. Regulations 102 to 108 of Table shall be modified accordingly.
  - (6) The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of Profits Dividend.

#### 4. **Capital**

- (1) On a return of assets by the Company, whether on a liquidation or reduction of capital or otherwise, the assets of the Company remaining after the satisfaction of all its debts and liabilities shall be applied in paying to the Members *pari passu* a sum equal the nominal amount paid up on their shares. Any balance shall be distributed to the Ordinary shareholders to the exclusion of the Voting shareholders *pari passu* in proportion to the amounts paid up on their Ordinary Shares.

- (2) If the Company is wound up, the liquidator may, with the consent of the Ordinary shareholders and any other consent required by the Act, divide among the Ordinary shareholders in specie the whole or any part of the Assets of the Company or vest such assets or any part thereof in trustees upon trust for the benefit of the Ordinary shareholders, but no Ordinary shareholder shall be compelled to accept any assets upon which there is a liability.

## 5. **Voting**

- (1) All Members shall be entitled to receive notice of and to attend and speak at any meeting of the Company.
- (2) The holders of Ordinary Shares shall not be entitled to vote at any such meeting except on a resolution to wind up the Company.
- (3) Save as provided in Article 5(2), the holders of the Voting Shares alone shall be entitled to vote at meetings of the Company.
- (4) If Wansbeck ceases to be the holder of Ordinary Shares and Voting Shares, the holders of the Voting Shares which were not immediately prior to such cesser held by Wansbeck:
  - (a) shall cease to be entitled to receive notice of or to attend or speak at or vote at any meeting of the Company.
  - (b) shall cease to be entitled to appoint Directors and the provisions in these Articles as to the appointment and removal of Directors, Alternate Directors and Reserve Directors shall cease to have any effect.
  - (c) Any Directors appointed by such Voting shareholders shall ipso facto vacate office notwithstanding anything in these Articles to the contrary.

## 6. **Class Rights**

- (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated only with the written consent of a 75% majority of the shareholders of that class.
- (2) Without prejudice to the generality of Article of 6(1), the special rights attached to the Ordinary Shares but not those attached to the Voting Shares shall be deemed to be varied by any of the following:
  - (a) a disposal of the undertaking of the Company or any of its subsidiaries or any substantial part thereof including, for the avoidance of doubt, the housing stock of Northern Coalfields Property Company Limited.

- (b) a disposal of any share in the capital of any subsidiary of the Company.
  - (c) the acquisition by the Company or any of its subsidiaries of an interest in the share capital of any company or the establishment of a subsidiary by the Company or any of its subsidiaries.
  - (d) the allotment by the Company of any shares.
  - (e) the redemption or purchase by the Company of any Voting Shares not held by Wansbeck.
  - (f) any alteration in the memorandum or articles of association of the Company or any of its subsidiaries.
  - (g) any alteration of the Company's accounting reference date or that of any of its subsidiaries.
  - (h) entering into a written service agreement by the Company with any Director or connected person (as defined in section 346 of the Act) or a material variation of any such existing service agreement with any such Director or connected person.
  - (i) without prejudice to the generality of the foregoing, doing or refraining from doing by the Company of any act or thing which has the effect of making the Company a regulated company within the meaning of the Local Authorities (Companies) Order 1995.
- (3) Save as provided in Article 6(2), the rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attached to, or in the terms of issue of, such shares, be deemed to be varied by the creation or issue of further shares.

## **7. Allotment of Shares**

- (1) Subject to Articles 6 and 7(2), the Board is generally and unconditionally authorised during the period of five years from the date of adoption of these Articles to offer, allot, grant options over or otherwise dispose of relevant securities (as defined in section 80(2) of the Act) of the Company up to the maximum nominal amount of the authorised but unissued share capital of the Company at the date of the adoption of these Articles to such persons at such times and on such terms and conditions as it thinks fit and to make any offer or agreement of the kind referred to in section 80(7) of the Act. Section 89(1) of the Act shall not apply to the Company.
- (2) Before exercising the power conferred by Article 7(1) to offer, allot, grant options over or otherwise dispose of relevant securities (as defined in section 80(2) of the Act) of the Company in favour of a third party, the Board shall

first offer to allot, grant an option over or otherwise dispose of the relevant securities in favour of Wansbeck which shall be entitled to a reasonable time (which shall in any event not be less than two months) to consider any such offer and may accept any such offer in whole or in part.

8. **Lien**

The Company shall have a first and paramount lien upon all the shares (whether or not fully paid up) registered in the name of each Member (whether solely or jointly and with other persons) for any amount payable by such Member to the Company whether the period or time for payment shall have actually arrived or not and such lien shall apply and extend to all payments due to such Member from the Company. Regulation 8 of Table shall be modified accordingly.

9. **Transfer of Shares**

- (1) Subject to Article 9(2) to (4), the Board may in its absolute discretion and without assigning any reason therefore decline to register any share transfer by a Voting shareholder other than a transfer by Wansbeck whether or not the Voting shares transferred are fully paid. Voting shares held by Wansbeck shall be freely transferable. Regulation 24 of Table A shall be modified accordingly.
- (2) Ordinary Shares shall be freely transferable and any transfer of Ordinary Shares shall be registered by the Board.
- (3) Voting shares other than those held by Wansbeck may only be transferred to or in favour of a transferee approved in writing by Wansbeck. Wansbeck may approve itself as a transferee.
- (4) If Wansbeck is unwilling to be a transferee and no other transferee of the Voting shares acceptable to Wansbeck can be found within two months from the date the Company receives notice of an intention to transfer by a Voting shareholder, the Voting shareholder may, subject to the provisions of the Act, request the Company to purchase the Voting shares the subject of the notice to transfer. The Company may, subject to the provisions of the Act, purchase such Voting shares provided that at the same time it purchases an equal number of Voting shares held by Wansbeck if Wansbeck so desires.

PART III - GENERAL MEETINGS

10. The secretary of the Company shall call general meetings. Regulation 37 of Table A shall be modified accordingly.

11. The quorum for the transaction of the business of the general meeting shall be Wansbeck and one other Voting shareholder. Regulation 40 of Table A shall be modified accordingly.
12. In the case of a body corporate or unincorporate, the signature of a duly authorised representative thereof and, in the case of joint holders the signature of any one of such joint holders, shall be sufficient for the purposes of passing resolutions in writing pursuant to regulation 53 of Table A.
- 12A. A written resolution may be used in accordance with Regulation 53 of Table A which shall be amended to allow a resolution to be passed when at least 75 per cent of Members being entitled to vote have executed the written resolution.
13. No person associated with Wansbeck within the meaning of section 69 of the Local Government and Housing Act 1989 may be appointed an authorised representative of any body corporate or unincorporate or proxy for the purpose of regulation 54 of Table A. Nothing in this Article shall prevent Wansbeck from appointing a person associated with it as an authorised representative or proxy for any purpose.
14. Subject to any rights or restrictions attached to any shares, in particular, the rights and/or restrictions specified in Article 5, on a show of hands every Member who is present in person or by proxy shall have one vote and on a poll every Voting shareholder who is present in person or by proxy shall have one vote for every Voting Share of which he is a holder PROVIDED that on a resolution to wind up the Company every Ordinary shareholder who is present in person or by proxy shall have one vote for every Ordinary Share of which he is a holder.
15. A proxy shall be entitled to vote on a show of hands.
16. The chairman of any meeting of the Company shall be entitled to a casting vote only if that person is not an authorised representative of Wansbeck nor a person associated with Wansbeck within the meaning of that 1989 Act

#### PART IV - DIRECTORS

##### **Qualification and appointment of directors**

17. A Director shall not be required to hold any qualification shares in the Company.
18. The number of Directors shall be not less than four nor more than ten. Regulation 64 of Table A shall be modified accordingly.
19. Wansbeck shall be entitled to five seats on the Board which seats may be occupied by Wansbeck itself as a body corporate or by one or more of its nominees. Wansbeck may remove any nominee Director so appointed and appoint any other person in the place of the nominee Director so removed.



20. The holders of the Voting Shares other than Wansbeck shall be entitled to five seats on the Board to be filled by the Voting shareholders and/or their nominees in proportion to the number of Voting Shares held. The holders of Voting Shares may remove any nominee Director so appointed and appoint any other person in the place of the nominee Director so removed.
21. Any such appointment or removal shall be effected by an instrument in writing signed by the Voting shareholder making the same or in the case of a Voting shareholder which is a body corporate or unincorporate by its duly authorised representative and shall take effect upon the lodgement of the instrument at the Office.
22. The remuneration (if any) and reasonable expenses to be paid to a nominee Director shall be payable by the Company and shall be such sum (if any) as may be agreed between him and the Company or in default of agreement such reasonable sum (if any) as shall be fixed by the auditor of the Company.
23. Neither the Board nor the Company in general meeting shall have power at any time to appoint a Director whether to fill a casual vacancy or as an additional Director or otherwise.
24.
  - (1) Any purported appointment (other than by Wansbeck) of any person associated with Wansbeck within the meaning of section 69 of the Local Government and Housing Act 1989 as a Director shall be void and of no effect.
  - (2) The appointment of a person as a Director (other than as a Reserve Director pursuant to Article 37(1)) shall be void and of no effect unless at the same time a Reserve Director is appointed in respect of that Director.
  - (3) The provisions of Article 18 to 24 (inclusive), 37 and 38 shall not apply at any time when Wansbeck is the only Member.

#### **Alternate directors**

25. Subject to article 24(1) above, any Director (other than an alternate Director) may appoint any other Director or any other person as his alternate and may at any time revoke any such appointment.
26. Any appointment of an alternate Director by a Director nominated by Wansbeck shall require the prior written consent of Wansbeck. Any appointment of an alternate Director by a Director nominated by the Voting shareholders (other than Wansbeck) shall require the prior written consent of his appointor.
27. An alternate Director (who has given notice to the Company of his address within the United Kingdom) shall be entitled to receive notice of all meetings of Directors and any committees thereof of which his appointor is a member, to attend and vote at any such meeting at which his appointor 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 PROVIDED that the appointor of an alternate Director may direct the Company to pay the alternate Director all or part of the remuneration to which the appointor would otherwise have been entitled. It shall not be necessary to give notice of a meeting to an alternate Director who is absent from the United Kingdom.

28. An alternate Director shall cease to be an alternate Director if for any reason his appointment is revoked by his appointor or his appointor ceases to a Director.
29. 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 Board.
30. A Director or any other person may act as an alternate to more than one Director and an alternate Director shall be entitled at meetings of Directors or any committee thereof to one vote for each Director to whom he is an alternate in addition to his own vote (if any) but shall count only as one for the purpose of determining whether a quorum is present.
31. An alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor.

#### **Powers and duties of directors**

32. Subject to the provisions of the Act, a Director who is directly or indirectly interested in any contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board in accordance with section 317 of the Act.
33. Subject to the disclosure required by Article 32, a Director shall count toward the quorum and be entitled to vote at any meeting of the Board or any committee thereof in respect of any contract or proposed contract in which he may be interested notwithstanding his interest.
34. An interest of which a director has no knowledge and of which it would be unreasonable to expect to him to have such knowledge shall not be treated as an interest of his.
35. A Director shall not be treated as interested in a contract or proposed contract with Wansbeck or any company in which Wansbeck has an interest by reason only that he or his spouse or a relative is resident in the District of Wansbeck or is a council tax payer (including any statutory successor thereof) of Wansbeck or is a member of Wansbeck or is an officer of Wansbeck or is otherwise associated with Wansbeck within the meaning of section 69 of the Local Government and Housing Act 1989.
36. It shall not be necessary for the Directors to sign a book recording their attendances at Board meetings. Regulation 100 of Table A shall be modified accordingly.

### **Reserve directors**

37. (1) Each Member who is a Director or entitled to appoint a Director shall appoint in respect of each directorship or nominee Director another person as a Reserve Director to the intent that should he or any nominee Director cease for whatever reason to be a Director his Reserve Director shall ipso facto become a director in place of the Director who has so ceased to be a Director. The provisions of Articles 17 to 24(1) (inclusive) shall apply (with any necessary modifications) to the appointment and removal of Reserve Directors.
- (2) If a Reserve Director becomes a Director in place of a Director who has ceased to be a Director, he shall forthwith (and in any event not later than seven days from the date he became a Director) appoint a Reserve Director for his directorship. Article 37(1) shall apply (with any necessary modifications) to any such appointment and to the removal of a Reserve Director so appointed.

### **Proceedings of directors**

38. The quorum for the transaction of the business of the Board shall be Wansbeck or one nominee Director of Wansbeck and one director appointed by other Voting shareholders. Regulation 89 of Table shall be modified accordingly.
39. Any Director may participate in a meeting of the Board or any committee thereof by means of a conference telephone, video conferencing or similar communication equipment. Participation in that manner shall constitute presence in person at such meeting.
40. At meetings of the Board or any committee thereof, there shall be a chairman's casting vote only if the chairman is not a representative of Wansbeck nor a person associated with Wansbeck within the meaning of the 1989 Act. Regulation 88 of Table A shall be modified accordingly.

### **Disqualification of directors**

41. Without prejudice to the provisions of the Act and these Articles, if a nominee Director (other than one appointed by Wansbeck) shall become associated with Wansbeck within the meaning of section 69 of the Local Government and Housing Act 1989 his appointment shall ipso facto determine and his reserve Director shall immediately become a Director in his place.

### **Appointment and removal of secretary**

42. Wansbeck shall be entitled to appoint the secretary of the Company and to remove from office any person so appointed and appoint any other person in the place of the person so removed. Regulation 99 of Table A shall be modified accordingly.

## Indemnity

43. In addition to the indemnity contained in regulation 118 of Table A and subject to the provisions of the Act, every Director, agent, secretary and other officer of the Company shall be entitled to be indemnified out of the assets of Company against all losses or liabilities incurred by him in or about the execution or purported execution of the duties of his office, and no such Director, agent, secretary or other officer of the Company shall be liable for any loss or damage which may be suffered or incurred by the Company by reason of the execution or purported execution of the duties of his office.

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### Names, Addresses and Descriptions of Subscribers

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1. Wansbeck District Council  
Town Hall, Ashington  
Northumberland, NE63 8RX

under the hand of Anthony Gerald White  
(Occupation) Chief Executive

**ANTHONY GERALD WHITE**

Witnessed by **D A BOWMAN** 22.04.98

2. Northern Rock PLC  
Northern Rock House  
Regent Centre  
Gosforth  
Newcastle upon Tyne

Under the hand of Colin Blakey  
(Occupation) Director of Commercial Development

**COLIN BLAKEY**

Witnessed by **D A BOWMAN** 22.04.98

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Dated 22ND APRIL 1998

Witness to the above Signatures,

David Alexander Bowman  
Town Hall, Ashington  
Northumberland, NE63 8RX  
(Occupation) Solicitor

**DAVID ALEXANDER BOWMAN**

# **THE COMPANIES ACT 1985**

## **NORTHUMBRIA ENTERPRISE LTD**

**TABLE A (as prescribed by the Companies (Tables A to F) Regulations 1985 (S.1 1985 No. 805))**

### **REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES (AS AMENDED BY THE SPECIAL ARTICLES OF NORTHUMBRIA ENTERPRISE LTD)**

#### **INTERPRETATION**

1. In these regulations –

“the Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

“the articles” means the articles of the company.

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

“executed” includes any mode of execution.

“office” means the registered office of the company.

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

“the seal” means the common seal of the company.

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

“the United Kingdom” means Great Britain and Northern Ireland.

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

#### **SHARE CAPITAL**

2. Subject to the provisions of the Act 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.

3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles.
4. 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.
5. 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.

### SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
7. 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

8. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.
9. 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.

10. 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.
11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **CALLS ON SHARES AND FORFEITURE**

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. 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.
16. 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 installment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
17. 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.

18. [N.B. Regulations 18-24 (inclusive) are Modified by Special Article 24(3)]  
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.
19. [N.B. Regulations 18-24 (inclusive) are Modified by Special Article 24(3)]  
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 moneys payable in respect of the forfeited shares and not paid before the forfeiture.
20. [N.B. Regulations 18-24 (inclusive) are Modified by Special Article 24(3)]  
Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument or transfer of the share to that person.
21. [N.B. Regulations 18-24 (inclusive) are Modified by Special Article 24(3)]  
A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
22. [N.B. Regulations 18-24 (inclusive) are Modified by Special Article 24(3)]  
A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture of disposal of the share.



## TRANSFER OF SHARES

23. [N.B. Regulations 18-24 (inclusive) are Modified by Special Article 24(3)]  
The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
24. [N.B. Regulation 24 is Modified by Special Articles 9(1) and 24(3)]  
The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless -
- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - (b) it is in respect of only one class of shares; and
  - (c) it is in favour of not more than four transferees.
25. 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.
26. 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.
27. 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.
28. The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

## TRANSMISSION OF SHARES

29. 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 jointly held by him.
30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person

nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member of the death or bankruptcy of the member had not occurred.

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

#### **ALTERATION OF SHARE CAPITAL**

32. The company may by ordinary resolution -

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

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

34. 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

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

## GENERAL MEETINGS

36. All general meetings other than annual general meetings shall be called extraordinary general meetings.
37. [N.B. Regulation 37 is Modified by Special Articles 10 and 24(3)]  
The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

## NOTICE OF GENERAL MEETINGS

38. [N.B. Regulation 38 is Modified by Special Article 24(3)]  
An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed.
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

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

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

39. 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

40. [N.B. Regulation 40 is Modified by Special Article 11]  
No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
41. 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.
42. 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.
43. 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.
44. 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.
45. 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.
46. 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 ballot is duly demanded. Subject to the provisions of the Act, a poll may be demanded.
- (a) by the chairman; or
  - (b) by at least two members having the right to vote at the meeting; or
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

47. 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.
48. 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.
49. 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.
50. [N.B. Regulation 50 Deleted by Special Article 1(5)]
51. 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.
52. 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.
53. [N.B. Regulation 53 is amended by Special Article 12]  
A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## VOTES OF MEMBERS

54. [N.B. Regulation 54 is amended by Special Article 13]  
Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
56. 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 the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
59. 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.
60. 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) -

"

PLC/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\_\_\_\_."

61. 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) -

"

PLC/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\_\_\_\_."

62. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may -
- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

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

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

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

## NUMBER OF DIRECTORS

- 64. [Regulation 64 is Modified by Special Article 18]  
Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

## ALTERNATE DIRECTORS

65-69 [Regulations 65-69 (inclusive) Deleted by Special Article 1(5)]

## POWERS OF DIRECTORS

- 70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 71. 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**

72. The directors may delegate any of their powers to any committee consisting of one or more directors. 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.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 73-80. [Regulations 73-80 (inclusive) Deleted by Special Article 1(5)]  
Provisions now in Special Articles 17 to 27 inclusive.

## **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

81. [Regulation 81 is amended by Special Article 41]

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 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; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

## **REMUNERATION OF DIRECTORS**

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

## **DIRECTORS' EXPENSES**

83. 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.

## **DIRECTORS' APPOINTMENTS AND INTERESTS**

84. 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. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.

85. [Regulation 85 Deleted by Special Article 1(5)]

86. [Regulation 86 Deleted by Special Article 1(5)]

## **DIRECTORS' GRATUITIES AND PENSIONS**

87. 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**

88. [Regulation 88 is amended by Special Article 40]  
Subject to the provisions of the 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. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or 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.

89. [Regulation 89 is amended by Special Article 38]  
The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
91. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. but if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
92. 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.
93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 94-98. [Regulations 94-98 (inclusive) Deleted by Special Article 1(5)]

## SECRETARY

99. [Regulation 99 is amended by Special Article 42]  
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

100. [Regulation 100 is Modified by Special Article 36]  
The directors shall cause minutes to be made in books kept for the purpose -
- (a) of all appointments of officers made by the directors; and
  - (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

## THE SEAL

101. The directors may resolve to use a common seal in which event 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 or any executed as if it were a deed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

## DIVIDENDS

102. [Regulations 102-108 (inclusive) are Modified by Special Article 3(3)]  
Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
103. 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.

104. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
105. 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.
106. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
107. No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.
108. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

## **ACCOUNTS**

109. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

## **CAPITALISATION OF PROFITS**

110. The directors may with the authority of an ordinary 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 are 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 regulation 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

- 111. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 112. 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.
- 113. 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.

114. 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.
115. 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, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
116. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

## WINDING UP

117. [Regulation 117 Deleted by Special Article 1(5)]

## INDEMNITY

118. [Regulation 118 is Modified by Special Articles 43]  
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.

27th April 1998

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