

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
DETAILS OF DECISION

of sole member

of

David Lloyd Leisure Property Holdings No 3 Limited (the **Company**)

Pursuant to section 357 of the Companies Act 2006 (the **Act**), we London & Regional Investment Holdings Limited being the sole member of the Company, hereby give notice that we made the following decisions (being decisions within the meaning of subsection 357(2) of the Act that may be taken by the Company in general meeting and that has effect as if agreed by the Company in general meeting) on 26 September 2008

Decision 1 – by way of ordinary resolution

That the issued share capital of 550 Ordinary shares of £0 20 each be reclassified as 550 "A" ordinary shares of £0 20 each and the authorised but unissued share capital of 2,009,450 Ordinary shares of £0 20 each be reclassified into 1,100,450 "A" ordinary shares of £0 20 each, 901,000 "B" ordinary shares of £0 20 each and 8,000 "C" ordinary shares of £0 20 each

Decision 2 – by way of special resolution

That the New Articles of Association in the form attached to this decision be adopted in place of the existing articles of association of the Company

Signed



duly authorised for and on behalf of
London & Regional Investment Holdings Limited

SATURDAY



A83 25/10/2008 200
COMPANIES HOUSE

Registered Number 6589946

The Companies Act 2006

Private company limited by shares

New Articles of Association

of

David Lloyd Leisure Property Holdings No. 3 Limited

(Adopted by special resolution passed on ~~26 SEPTEMBER~~ 2008)

Denton Wilde Sapte LLP

One Fleet Place
London EC4M 7WS
United Kingdom

T +44 (0)20 7242 1212
F +44 (0)20 7246 7777
Telex 887793
DX 242

info@dentonwildesapte.com
www.dentonwildesapte.com

International Lawyers

Contents

1	Preliminary	1
2	Share capital	1
3	Issues of Shares	1
4	Lien	1
5	Calls on Shares	2
6	Modification of rights	2
7	Transfers of Shares - General	3
8	Permitted transfers of Shares	3
9	Pre-emption rights on Transfer	4
10	Information concerning transfers and shareholdings	7
11	Drag along rights	7
12	General Meetings	8
13	Notice of General Meetings	8
14	Proceedings at General Meetings	8
15	Votes of Members	10
16	A Directors and B Directors	11
17	Directors	12
18	Powers of Directors	12
19	Directors interests	12
20	Proceedings of Directors	13
21	Alternate Directors	14
22	Dividends	14
23	Capitalisation of profits and reserves	15
24	Notices	15
25	Indemnity	16

1 Preliminary

1 1 In these articles

Act means the Companies Acts 1985 including any statutory modification or re-enactment of the same for the time being in force and any provisions of the Companies Act 2006 for the time being in force, and

Table A means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended so as to affect companies first incorporated on the date of the adoption of these articles)

1 2 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

2 Share capital

2 1 The authorised share capital of the Company at the date of the adoption of these articles of association is £402,000 divided into 1,101,000 "A" ordinary shares of £0 20 each (A shares**), 901,000 "B" ordinary shares of £0 20 each (**B shares**) and 8000 "C" ordinary shares of £0 20 each (**C shares**) (together, **Shares**)**

2 2 The issued share capital of the Company immediately after the date of the adoption of these articles of association is 550 A Shares

2 3 The A shares, the B shares and the C shares shall be separate classes of shares and, save as provided in these Articles, shall be identical and rank pari passu in all respects

2 4 Sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company

2 5 Except as required by law no person shall be recognised by the Company as holding any share upon any trust even when the company shall have express notice of the same, and (except as otherwise provided by these 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

3 Issues of Shares

Unless otherwise agreed by all the members for the time being of the Company, unissued shares in the capital of the Company from time to time shall be issued only so that the issued share capital of the Company shall always consist of A shares, B shares and C shares in the same proportions as they bear to one another at the date of adoption of these Articles

4 Lien

The Company shall have a first and paramount lien on every share (other than a fully paid share) for all indebtedness to the company of the holder or, if the holder is not the beneficial owner, the beneficial owner (whether or not arising in respect of such share and whether or not payable on or prior to the date of allotment or issue thereof) Such lien shall be without prejudice to any rights given to or reserved by the company on allotment or issue The first sentence of Regulation 8 shall not apply

5 Calls on Shares

- 5 1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any sums, whether in respect of nominal value or premium, that are unpaid on their shares and are not payable at fixed times under the said terms of allotment. Each member shall, subject to receiving at least 14 clear days' notice specifying when and where payment is to be made, pay to the company as required by the notice the amount so called on his shares. A call may be revoked in whole or part before receipt by the Company of any sum due thereunder and payment of a call may be postponed in whole or part as the directors think fit.
- 5 2 The holder of a share at the time a call is due to be paid shall be the person liable to pay the call, and in the case of joint holders they shall be jointly and severally liable.
- 5 3 If any amount payable in respect of a share on allotment or at a fixed date, whether in respect of nominal value or premium or as an instalment of a call, is not paid, the provisions of these Articles and (in so far as applicable) the Regulations shall apply as if that amount had become due and payable by virtue of a call.

6 Modification of rights

- 6 1 Subject to the Act, all or any of the special rights for the time being attached to any class of shares in the Company for the time being in issue may, from time to time (whether or not the Company is being wound up), be altered only with the prior written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class.
- 6 2 To any such separate general meeting, all the provisions of these Articles as to general meetings of the Company shall apply mutatis mutandis, except that
- 6 2 1 the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class (provided that where all the shares of a class are registered in the name of one holder, that holder, present in person or by proxy, may constitute a meeting),
- 6 2 2 on a poll, every holder of shares of a particular class shall be entitled to one vote for every such share held by him,
- 6 2 3 any holder of shares of a particular class present in person or by proxy may demand a poll, and
- 6 2 4 at any adjourned meeting of such holders, one holder present in person or by proxy (whatever the number of shares held by him), shall be a quorum.
- 6 3 Without prejudice to the generality of Article 6 1, the special rights attached to the A shares or the B shares shall be deemed to be varied by
- 6 3 1 any increase, reduction, sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or any variation of the rights attached to any of the shares or other securities of the Company or of any of the shares or other securities for the time being in the capital of the subsidiaries,
- 6 3 2 the sale of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof,
- 6 3 3 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock or any share capital or other securities of the Company or of any of its subsidiaries,

- 6 3 4 the calling of a meeting of the Company or any of its subsidiaries for the purpose of considering a resolution or the taking of any other steps for the winding up of or dissolving the Company or any of its subsidiaries,
- 6 3 5 the calling of a meeting of the Company or any of its subsidiaries to consider a resolution to approve a contract by the Company or any of its subsidiaries (as the case may be) to purchase any of their respective shares or other securities,
- 6 3 6 the calling of a meeting of the Company or of any of its subsidiaries for the purpose of considering a resolution for amending the memorandum of association or the articles of association of the Company or of any of its subsidiaries (as the case may be), and
- 6 3 7 the grant of any option, warrant or other right to subscribe for, convert into or allot or issue any shares or other securities in the Company or any of its subsidiaries

7 Transfers of Shares - General

- 7 1 The Directors may, in their absolute discretion, decline to register the transfer of any Shares to any person who, in the reasonable opinion of the Directors, is carrying on business directly or indirectly in competition with any member of the Group, except that this restriction will not apply to
 - 7 1 1 any transfer pursuant to Article 8 1, or
 - 7 1 2 any transfers pursuant to Article 8 3, or
 - 7 1 3 any transfers pursuant to Article 11
- 7 2 Without prejudice to the provisions of Regulation 24 of Table A (as modified hereby), the Directors shall not register any transfer of Shares
 - 7 2 1 to any person who does not have legal capacity to transfer Shares, or
 - 7 2 2 otherwise except pursuant to a transfer permitted by, in accordance with or required by, the provisions of these Articles

8 Permitted transfers of Shares

8.1 Group Transfers

- 8 1 1 Any Shares held by an undertaking (**Original Undertaking**) may be transferred to any other undertaking (**Transferee Undertaking**) provided always that (save for the proviso below) each such Transferee Undertaking is a 100% holding company of the Original Undertaking or a 100% subsidiary of the Original Undertaking or of its 100% holding company (**a Group Undertaking**)
- 8 1 2 In the event that any Transferee Undertaking ceases after the date of any such transfer of Shares to be a Group Undertaking in relation to the Original Undertaking, then such Transferee Undertaking shall on or before the cessation transfer such Shares held by it to the Original Undertaking or to an undertaking which in relation to the Original Undertaking is a Group Undertaking
- 8 1 3 Any shares may, in the case of any person Controlling L&RIH, be transferred to or by such person (**a Controlling Transferee**) to such person's Family Members and Family Trusts or any undertaking wholly owned or Controlled by any such person
- 8 1 4 In the event that any transferee ceases to be a person Controlling L&RIH then such transferee shall, on or before the cessation, transfer such shares to L&RIH or to a subsidiary which in

relation to L&RIH is a Group Undertaking or to person Controlling L&RIH or any of such persons, permitted transferees under Article 8 1 3

For the purposes of these articles

Control means in the context of a person or persons achieving or having control over a company (i) such person or persons acting in concert controlling, or being able to control, the composition of the board of directors of that company, or (ii) a person or persons acting in concert in accordance with whose directions a majority of the members of the board of directors of that company are to become accustomed to act, or (iii) the person or persons acting in concert legally, or ultimately or beneficially, owning (directly or indirectly) more than 50 per cent of the issued equity share capital of that company and **controlled** shall be construed accordingly where, in each case, **acting in concert** means actively cooperating together pursuant to an agreement or understanding (whether formal or informal) with a view to achieving a common objective or to control another body corporate,

Family Member means, in relation to a person, his/her spouses/civil partner, children and grandchildren (including step and adopted children),

Family Trust means, in relation to a person, a trust, (whether arising under a settlement, declaration of trust, testamentary disposition or an intestacy) in respect of which the only beneficiaries are that person and his/her Family Members

8.2 Shareholder Consent

Any Shares and/or any interest therein may be transferred at any time to any person with the written consent of the holders of not less than 90 per cent in nominal value of the issued Shares for the time being

8.3 Syndication

The restrictions on transfer contained in these articles shall not apply to any syndication of any Shares or securitisation in accordance with the provisions of any agreement existing between the holders of A Shares and the holders of B Shares from time to time

9 Pre-emption rights on Transfer

9 1 Subject to Articles 7 and 8, any member wishing to transfer all or any Shares held by him specified in Column (A) of the table (**Table**) set out in Article 9 5 (**Selling Shareholder**) shall first give a notice (**Sale Notice**) in writing to the Company specifying

9 1 1 the number and class of the Shares he wishes to transfer (**Sale Shares**),

9 1 2 the name of the third party (if any) to whom he proposes to transfer the Sale Shares, and

9 1 3 the price per Share at which the Selling Shareholder wishes to transfer the Sale Shares

The Sale Notice shall constitute the Company as the agent of the Selling Shareholder for the sale of the Sale Shares at the price to be stated in the Sale Notice, being no greater than that agreed with any third party for such Sale Shares as referred to in clause 9 1 2 (**Price**) A Sale Notice (other than a deemed Sale Notice) may require that unless all the Shares comprised in it are sold, none shall be sold (**Total Transfer Condition**) A Sale Notice once given pursuant to this Article 9 may not be varied or cancelled without the consent of the Company

9 2

9 2 1 Within 25 days of receipt of a Sale Notice, the Company shall (as agent for the Selling Shareholder) by notice in writing, offer the Sale Shares for sale at the Price to the persons specified in Column (B) of the Table (other than the Selling Shareholder and any other

Shareholder who has served a Sale Notice in respect of his entire holding of Shares pursuant to which the sale of such Shares has not then been concluded) entitled to first refusal thereof in accordance with Articles 9 3 and 9 4 (**First Offer**)

- 9 2 2 The First Offer shall specify that the persons to whom the Sale Shares are offered will have a period of 15 Business Days from the date of such notice within which to apply for some or all of the Sale Shares
- 9 2 3 Following the application of Articles 9 3 and 9 4, the Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the First Offer to the persons specified in Column (C) of the Table in accordance with Article 9 4 at the Price (**Second Offer**)
- 9 2 4 Any such offer shall be made within 14 Business Days of the date on which the First Offer expires or, if earlier, the date on which all persons entitled to accept the First Offer have indicated the maximum number of Sale Shares they wish to accept and shall specify that such offer must be accepted within 14 Business Days or in default will lapse

9 3 Pre-emption procedure

- 9 3 1 In accordance with Article 9 2, the Table shall be as follows

(A) SHARES	(B)	(C)
A shares	B Shareholders,	C Shareholders
B shares	A Shareholders	C Shareholders
C shares	A and B Shareholders	-

- 9 3 2 It will be a further term of the First Offer and the Second Offer that, if there is competition within any class of Shareholder for the Sale Shares offered to that class, such Sale Shares will be treated as offered among the holders of such class to whom the relevant offer has been made in proportion (as nearly as possible) to their existing holdings of Shares of that class (**Proportionate Entitlement**) The offer will also invite the offerees to indicate in their application for Sale Shares, whether they would be willing to buy Shares in excess of their Proportionate Entitlement should any such Shares be available and, if so, how many (**Extra Shares**)

9 4 Allocation of Shares

- 9 4 1 After the expiry of the relevant offer period specified in Article 9 2, the Board will within 7 days allocate the Sale Shares (or the balance of the Sale Shares (as the case may be)) as follows
- (a) if the total number of Sale Shares applied for pursuant to the relevant offer (including Extra Shares) is equal to or less than the available number of Sale Shares, each offeree will be allocated the number applied for in accordance with his application (subject to Article 9 6), or
 - (b) if the total number of Sale Shares applied for pursuant to the relevant offer is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for, and
 - (c) applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition within any class of Shareholder, among the Shareholders

of that class applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares of the same class held by such offerees

- 9 4 2 Allocations of Sale Shares made by the Company pursuant to this Article 9 4 will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase
- 9 5 The Company shall, immediately upon allocating the Sale Shares
- 9 5 1 give notice (**Allocation Notice**) thereof to the Selling Shareholder and each person to whom Sale Shares have been allocated The Selling Shareholder shall then become bound to sell and transfer the Sale Shares to the respective purchasers, free from all liens charges encumbrances and third party rights, and together with all rights attaching thereto at the date of sale,
- 9 5 2 the Allocation Notice shall state the name and address of each of the purchasers and the number of Shares to be purchased by him and the aggregate price payable and (subject to Article 9 6) shall designate a place and a time (being not less than three nor more than ten days following the date of the notice) for completion of the sale of the Shares comprised in such notice,
- 9 5 3 Subject to Article 9 6, completion of the sale and purchase of the Sale Shares will take place at the place and time specified in the Allocation Notice when the Selling Shareholder will, upon payment of the due price, deliver executed stock transfer form(s) in respect of those Sale Shares specified in the Allocation Notice, and deliver the relevant share certificates to the person(s) to whom they have been allocated,
- 9 5 4 If a Sale Notice validly contains a Total Transfer Condition, no transfer of any of the Sale Shares shall take effect unless the Company shall have found purchasers for all such Shares Any offer made by the Company in respect of Shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the Shares comprised in the relevant Sale Notice
- 9 6 If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares
- 9 6 1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 21 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares, and
- 9 6 2 completion of the transfer in accordance with the preceding paragraphs of this Article 9 will be conditional upon all such Sale Shares being so allocated
- 9 7 If the Company shall not, within the relevant time limits set out in Articles 9 2 and (if applicable) Article 9 6, find purchasers for all of the Sale Shares, the Company shall give notice in writing thereof to the Selling Shareholder The Selling Shareholder shall then be at liberty, at any time within one month after the date of such notice, to transfer such Sale Shares for which purchasers have not been found to, subject to Articles 7 1 and 7 2 1 any person he may wish (**Article 9 Third Party**), provided that
- 9 7 1 such sale is completed at the Price or any higher or (subject as provided below) lower price, and that otherwise the terms of payment of the purchase price are no more favourable to the purchaser than those offered to the shareholders or other persons hereunder,
- 9 7 2 no Sale Shares shall be sold at a lower price than the Price without the Selling Shareholder first serving a further Sale Notice upon the Company, specifying such lower price as the price at which such Sale Shares are offered, and all the provisions of this Article 9 shall mutatis

mutandis apply in respect of such further Sale Notice, save that the Price shall be such lower price,

- 9 7 3 if the Sale Notice contained a Total Transfer Condition, the Selling Shareholder shall not be entitled to sell part only of such shares hereunder to any Article 9 Third Party, and
- 9 7 4 the Directors may call for such evidence as they shall reasonably request in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate, allowance or deduction to the purchaser, and if not so satisfied, they may refuse to register a transfer hereunder
- 9 8 If any Shareholder shall fail to transfer any Shares which he shall have become bound to transfer in accordance with the provisions of these Articles
- 9 8 1 the Directors may authorise some person to execute and deliver, on his behalf a transfer or transfers of such Shares to the purchaser or purchasers,
- 9 8 2 the Company may give a good receipt to the purchaser or purchasers for the purchase price of such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same, whereupon the purchaser or purchasers shall become indefeasibly entitled thereto,
- 9 8 3 the Shareholder shall, in such case, be bound to deliver up his certificate for the Shares to the Company, whereupon the Shareholder shall be entitled to receive the purchase price, which shall in the meantime be held by the Company on trust for the Shareholder, but without interest, and
- 9 8 4 if such certificate shall comprise any Shares which the Shareholder has not become bound to transfer as aforesaid, the Company shall issue to the Selling Shareholder a balance certificate for such Shares
- 9 9 Any B share or C share acquired by an A Shareholder shall immediately upon completion of such acquisition be converted into an A share, any A share or C share acquired by a B Shareholder shall immediately upon completion of such acquisition be converted into a B share and any A share or B share acquired by a C Shareholder shall immediately upon completion of such acquisition be converted into a C share, in any such case without any further notice being given by or to the Company or any of the shareholders

10 Information concerning transfers and shareholdings

For the purpose of ensuring that a transfer of shares is permitted under Article 7, the directors may from time to time require any member or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after such requirement, the directors shall be entitled to refuse to register the transfer in question

11 Drag along rights

In the event that any bona fide offer is made for the whole of the issued share capital of the Company and such offer is accepted by the holders of A shares and the holders of B shares then

- 11 1 each of the holders of C shares shall within 7 days of a notice being given by such offeror be required to accept the relevant offer in respect of all the Shares held by him and to comply with the obligations assumed by virtue of such acceptance,

- 11 2 if any such member shall refuse or fail to transfer any of the Shares held by him in accordance with the provisions of this Article or otherwise fails to take any action required of it under the terms of the relevant offer, the holder of A shares and B shares may authorise a person to execute and deliver on behalf of such member a transfer or transfers of such Shares to the person or persons making the relevant offer or undertake any action required under the terms of the relevant offer on the part of that member,
- 11 3 the Company shall give a good receipt for the purchase price for such Shares which shall be a good discharge to the offeror and subject to compliance by the offeror with the terms of the relevant offer, shall register the offeror as holder thereof and issue to it certificates for the same whereupon the offeror shall become indefeasibly entitled thereto, and
- 11 4 the transferor shall, in each case, be bound to deliver up his certificate for all of his shares (or an indemnity for lost certificate) to the Company, whereupon the transferor shall be entitled to receive the purchase price which shall, in the meantime, be held by the Company on trust for the transferor

12 General Meetings

- 12 1 All general meetings other than annual general meetings shall be called extraordinary general meetings
- 12 2 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

13 Notice of General Meetings

- 13 1 An annual general meeting and an extraordinary general meeting called for the passing of a special or elective resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed by all members entitled to attend and vote at such meeting
- 13 2 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
- 13 3 Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members and to the directors and auditors

14 Proceedings at General Meetings

- 14 1 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be not less than 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 member which is a corporation, at least one of whom shall be, or represent (as proxy or duly authorised representative), a holder of A shares and one shall be, or represent (as proxy or duly authorised representative), a holder of B shares but so that such quorum shall throughout the meeting include one person being or representing (as aforesaid) a holder of the A shares and one person being or representing (as aforesaid) a holder of the B shares
- 14 2 If within half an hour after the time appointed for holding the general meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the general meeting, if convened upon the requisition of members, 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 or to such other day and such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present or ceases to be present then the meeting shall be further adjourned to the same day in the next week, at the same time and place or to such other day and such other time and place as the directors may determine, and if at such further adjourned meeting a quorum is not present or ceases to be present then the meeting shall be dissolved

- 14 3 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 15 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
- 14 4 If no director is willing to act as Chairman, or if no director is present within 15 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
- 14 5 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
- 14 6 The Chairman may, with the consent of all of the members present in person or by proxy or by duly authorised representative at a general 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 any 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 14 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
- 14 7 A resolution put to the vote of a general meeting shall be decided on a show of hands unless before, or on a declaration of the result of, the show of hands a poll is duly demanded Subject to the provisions of the Act, a poll may be demanded
- 14 7 1 by the Chairman, or
- 14 7 2 by any member having the right to vote at the meeting,
- and a demand by a person as proxy for or duly authorised representative of a member shall be the same as a demand by the member
- 14 8 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
- 14 9 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
- 14 10 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have
- 14 11 A poll demanded shall be taken forthwith 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 with the consent of the Chairman, the meeting shall continue as if the demand had not been made

- 14 12 Notwithstanding any other provision of these Articles of Association, where a member is in default (**Defaulting Member**) under an agreement with the other member(s) of the company (**Non-Defaulting Member(s)**), and pursuant to that agreement the Non-Defaulting Member(s) have served a valid and proper notice of acceptance of a Deemed Offer (as such term shall be agreed by the holders of the A shares and the B shares) then
- 14 12 1 the Defaulting Member's rights to appoint and/or remove directors pursuant to these Articles and any requirement under such agreement to obtain the Defaulting Member's consent prior to the company taking certain actions is terminated,
- 14 12 2 a meeting of the directors of the company and a meeting of members of the company may be quorate without the presence of a director appointed by the Defaulting Member or in the case of a meeting of members, the Defaulting Member, and
- 14 12 3 the Defaulting Member shall if required by the Non-Defaulting Member(s) by notice in writing forthwith remove any director which it has appointed pursuant to these Articles and if it fails to do so the board of directors of the company shall be constituted as the Defaulting Member's agent and attorney to execute and deliver the necessary documents on behalf of the Defaulting Member to effect the same
- 14 13 Subject to the provisions of the Act, anything which may be done by resolution of the company in general meeting may be done, without a meeting and without any previous notice being required, by resolution in writing signed by or on behalf of all the members of the company who at the date of the resolution would be entitled to attend and vote at such meeting
- 14 14 The signatures need not be on a single document provided each is on a document which actually states the terms of the resolution
- 14 15 The date of the resolution shall be the date when the resolution is signed by or on behalf of the last member to sign
- 14 16 Subject to the provisions of the Act, a resolution agreed to in accordance with the provisions of this Article 14 has effect as if passed by the company in general meeting and any reference in any enactment to a meeting at which a resolution is passed or to members voting in favour of a resolution shall be construed accordingly
- 14 17 Any such resolution may be signed on behalf of any member by it or him or its or his attorney and signature in the case of a corporation which is a member shall be sufficient if made by a director or the secretary thereof or by its duly appointed attorney or authorised representative
- 14 18 A resolution may be agreed by members in accordance with this Article which would otherwise be required to be passed as a special, extraordinary, ordinary or elective resolution, and any reference to a special, extraordinary, ordinary or elective resolution includes such a resolution
- 14 19 A copy of any written resolution proposed to be agreed to in accordance with this Article 14 shall be sent to the company's auditors
- 14 20 No written resolution shall have effect until the times specified in the Act

15 Votes of Members

- 15 1 Subject to any rights or restrictions attached to any shares and to the provisions of Article 15 7, on a show of hands every member present in person or by proxy or (if a corporation) present by a duly authorised representative shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder

- 15 2 No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares unless all calls or other sums presently payable by him in respect of shares of the company have been paid
- 15 3 On a poll votes may be given either personally or by proxy
- 15 4 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor (if a corporation, under the hand of a duly authorised officer of the corporation) and shall be in such form as the directors may determine or, failing such determination, in any usual form
- 15 5 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 shall 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 later than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and an instrument of proxy which is not deposited or delivered in the manner so permitted shall be invalid
- 15 6 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
- 15 7 Subject to Article 15 8 and save where all the shares in the company are held by one holder, no resolution (including ordinary, extraordinary, special and elective resolutions), of the company shall be deemed to be passed unless the holder(s) (including proxies or duly authorised representatives) of the A shares and the holder(s) (including proxies or duly authorised representatives) of the B shares shall have voted in favour of the same
- 15 8 The holder(s) of A shares shall not be entitled to vote on resolutions to appoint or remove any director appointed by a majority of the holders of B shares from office The holder(s) of B shares shall not be entitled to vote on any resolutions to appoint or remove any of the directors appointed by a majority of the holders of A shares

16 A Directors and B Directors

- 16 1 So long as London & Regional Investment Holdings Limited (**L&RIH**) shall hold A shares representing 18% or more of the issued share capital of the Company, L&RIH shall have the right, at any time and from time to time, to appoint two directors of the Company (**A Directors**) and the following provisions shall have effect
 - 16 1 1 any such appointment shall be effected by notice in writing to the Company by L&RIH who may in like manner at any time and from time to time, remove from office any A Director appointed pursuant to this Article and appoint any person in place of any A Director so removed or dying or otherwise vacating office as an A Director,
 - 16 1 2 on any resolution to remove the A Director, the A shares held by L&RIH shall together carry one vote in excess of fifty per cent of all the votes exercisable at the general meeting at which such resolution is to be proposed and if any such A Director is removed pursuant to section 168 of the Act or otherwise L&RIH may reappoint him or any other person as an A Director
- 16 2 So long as Uberior Integrated Limited (**Uberior**), or any member of the BoS Group, shall hold B shares representing 15% or more of the issued share capital of the Company, Uberior shall have the right, at any time and from time to time, to appoint two directors of the Company (**B Directors**) and the following provisions shall have effect
 - 16 2 1 any such appointment shall be effected by notice in writing to the Company by Uberior who may in like manner at any time and from time to time, remove from office any B Director

appointed pursuant to this Article and appoint any person in place of any B Director so removed or dying or otherwise vacating office as a B Director,

16 2 2 on any resolution to remove the B Director, the B shares held by Uberior shall together carry one vote in excess of fifty per cent of all the votes exercisable at the general meeting at which such resolution is to be proposed and if any such B Director is removed pursuant to section 168 of the Act or otherwise Uberior may reappoint him or any other person as a B Director

16 2 3 For the purposes of these articles, **BoS Group** means Bank of Scotland plc, any parent undertaking of Bank of Scotland plc and any subsidiary undertaking of Bank of Scotland plc or such parent undertaking from time to time

17 Directors

17 1 Unless and until the company in general meeting shall otherwise determine, the number of directors shall not be less than two and shall not exceed four, of which two shall be A Directors and 2 shall be B Directors

17 2 The directors shall not be subject to retirement by rotation

17 3 The office of a director shall be vacated in any of the events specified in Regulation 81

18 Powers of Directors

18 1 Subject to the provisions of the Act, the memorandum of association of the company, these Articles, any directions given by special resolution and as may be agreed by the holders of the A shares and the holders of the B shares, 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 these articles of association 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. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors subject to any matters which may have been agreed by the holders of the A shares and the holders of the B shares

18 2 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

18 3 The directors may delegate any of their powers to any committee. No such delegation shall be made except on the basis that the provisions of these Articles apply in their entirety to the proceedings of the committee. A majority of the directors may at any time by notice in writing signed by them and left at the office annul any such delegation with immediate effect but no person dealing in good faith and without notice of such annulment shall be affected thereby

19 Directors interests

19 1 Subject to the provisions of the Act and save as may otherwise be agreed by the majority of the holders of A shares and the majority of the holders of B shares, and provided that he has disclosed to the directors the nature and extent of any interest of his (in accordance with Article 19 2), a director notwithstanding his office

19 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested,

19 1 2 may be a director or other officer of or employed by or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the company or in which the company is otherwise interested, and

- 19 1 3 shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- 19 2 For the purposes of Article 19 1
- 19 2 1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,
- 19 2 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
- 19 2 3 a director who is a member or director of any other company shall be regarded as interested in any transaction between the company and that other company and a general notice given by a director that he is a director or member of another company shall be deemed to be a disclosure that the director has an interest in any transaction between the company and such other company

20 Proceedings of Directors

- 20 1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit but shall (unless otherwise agreed) meet as often and in such places as the board of directors shall decide provided that, unless otherwise agreed by the board of directors, a meeting of the board of directors to consider and decide upon (without limitation) strategic and long term matters relating to the operation of the business of the company shall be held at least once a month at the registered office of the company (or such other place as the board of directors may agree) on the last business day of each month Unless all directors or their alternates (if any) indicate their willingness to accept shorter notice of a meeting of directors, at least seven days' prior notice of the time and place of each meeting of directors shall be given Each director (or his alternate) shall have one vote each In the case of an equality of votes the Chairman of the meeting (whether of the board or of a committee) shall not have a second or casting vote
- 20 2 Notwithstanding the provisions contained in these articles of association a director may, and the secretary at the request of a director shall, at any time, call a meeting of the directors Notice of every meeting of the directors shall be given to every director and to his alternate (if any)
- 20 3 Every notice of a meeting of the directors required to be given under these articles of association may be served personally or sent by prepaid recorded delivery post, or facsimile to the address for the time being supplied for the purpose to the secretary of the company by the person entitled to receive the same
- 20 4 Save as provided in this Article the quorum necessary for the transaction of the business of the directors shall be at least two directors of whom at least one shall be an A Director, and at least one shall be a B Director An alternate director who is not himself a director may, if his appointor is not present, be counted towards the quorum
- 20 5 Subject to Article 20 6, no decision or resolution of the directors shall be valid unless all of the directors appointed by the holders of the A shares and all of the directors appointed by the holders of the B shares present at the relevant meeting have approved such decision or voted in favour of such resolution
- 20 6 The directors appointed by the holders of the A shares shall not be entitled to vote on resolutions to appoint or remove any director appointed by the holders of B shares from office, and the directors appointed by the holders of the B shares shall not be entitled to vote on any

resolutions to appoint or remove any of the directors appointed by the holders of A shares from office

- 20 7 All acts done by a meeting of directors 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
- 20 8 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors shall be as valid and effectual as if it had been passed at a meeting 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
- 20 9 A director may vote at a meeting of directors or of a committee of directors (and shall be counted for the purposes of determining whether a quorum is present at any such meeting) on any resolution concerning any matter, contract or arrangement, or proposed contract or arrangement in which he has, directly or indirectly, an interest which conflicts or may conflict with the interests of the company provided that at or prior to such meeting he complies in respect of such matter with the disclosure provisions of section 317 of the Act and declares the nature of his interest Compliance with section 317 of the Act shall be sufficient disclosure by a director for the purpose of Regulations 85 and 86

21 Alternate Directors

- 21 1 Any director other than an alternate director shall have the power to appoint any other director or any person approved by the director in question to act as his alternate director and at his discretion to remove such alternate director An alternate director shall have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum of any meeting at which his appointor is not personally present and generally in the absence of his appointor to exercise and discharge all the functions powers and duties of his appointor Any director acting as an alternate shall have an additional vote for every director for whom he acts as alternate No individual person shall count in the quorum more than once
- 21 2 Every appointment and removal of an alternate director shall be made by notice to the company signed by the director making or revoking the appointment and delivered at the office or to any meeting of directors
- 21 3 Save as otherwise provided in the articles of association, an alternate director shall during his appointment be deemed to be a director for all purposes, shall not be deemed to be an agent of his appointor, shall alone be responsible for his own acts or defaults and shall be entitled to be indemnified by the company to the same extent as if he were a director
- 21 4 No director or alternate director shall in respect of his office of alternate director be entitled to receive any remuneration from the company nor, in the case of an alternate director be entitled to appoint another person as his alternate The appointment of an alternate director shall ipso facto determine if his appointor ceases for any reason to be a director or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the company he shall resign such appointment

22 Dividends

- 22 1 The following sentence shall be added to the end of Regulation 104

"The person entitled to any dividend shall be the holder (as defined in Table A) of the share upon such date as may be determined by the resolution declaring the dividend (or in the case of any interim dividend, determined by the directors) in respect of that share "

22 2 No dividend payments shall be declared or paid unless

22 2 1 agreed by the members,

22 2 2 agreed by any banks which have advanced facilities to the company,

22 2 3 agreed by the holders of any loan notes issued by the company, and

22 2 4 such dividend is permitted under the terms of any intercreditor deed, loan facility agreement or loan note instrument to which the company is a party

23 Capitalisation of profits and reserves

23 1 The directors may, with the sanction of a special resolution of the company, capitalise any sum standing to the credit of any of the company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account by appropriating such sum to the holders of A shares and B shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and

23 1 1 on behalf of the holders of A shares applying that part of such sum distributable amongst them in paying up in full unissued A shares for allotment and distribution credited as fully paid up to and amongst them, and

23 1 2 on behalf of the holders of B shares applying that part of such sum distributable amongst them in paying up in full unissued B shares for allotment and distribution credited as fully paid up to and amongst them in the appropriate proportion

23 2 The directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefits of fractional entitlements accrue to the company rather than to the members concerned) The directors may authorise any person to enter on behalf of all the members interested into an agreement with the company providing for any such capitalisation and incidental matters and any agreement made under such authority shall be effective and binding on all concerned Regulation 110 shall not apply

24 Notices

24 1 Any notices to be given to or by any person pursuant to the articles of association shall be in writing

24 2 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 A member may give any notice to the company by post in a prepaid envelope addressed to the company (and marked "for the attention of the company Secretary") to the registered office

- 24 3 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
- 24 4 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
- 24 5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted
- 24 6 If the recipient member is a limited company then all written notices shall be addressed to a director or the company secretary of the recipient member

25 Indemnity

- 25 1 Subject to the provisions of, and so far as may be consistent with, the Act, every director of the Company shall be indemnified by the company out of its own funds against
- (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company other than
 - (i) any liability to the company or any associated company (as defined in section 256 of the Companies Act 2006 (the **2006 Act**)),
 - (ii) any liability of the kind referred to in section 234(3) of the 2006 Act,
 - (iii) any liability arising pursuant to the terms of any documents as may be agreed by the holders of the A Shares and the holders of the B Shares, and
 - (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office

Where a director is indemnified against a liability in accordance with this regulation, the indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him

- 25 2 Subject to the provisions of, and so far as may be consistent with, the Act, every company secretary of the company and any other officer of the company (other than a director or auditor of the company) may if the board of directors so determines be indemnified by the company out of its own funds against any liability however arising incurred by or attaching to him in connection with the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office. Where a secretary or other officer is indemnified against a liability in accordance with this regulation, the indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him
- 25 3 Subject to the provisions of and so far as may be permitted by the Act, the company may
- (a) provide a director, company secretary or other officer (other than an auditor) of the company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings referred to in section 205(1)(a)(i) of the 2006 Act or in connection with any application under the provisions mentioned in section 205(1)(a)(ii) of the 2006 Act, and
 - (b) may do anything to enable that person to avoid incurring such expenditure,

but so that, in the case of a director, the terms set out in section 205(2) of the 2006 Act shall apply to any such provision of funds or other things done

25 4 The directors may exercise all of the powers of the company to purchase and maintain insurance for the benefit of any person who is or was

- (a) an officer or employee of a Relevant Company, or
- (b) trustee of a retirement benefits scheme or another trust in which any person who is or was an officer or employee of a Relevant Company is or has been interested,

indemnifying him against liability for negligence, default, breach of duty, breach of trust or another liability which may lawfully be insured against by the company **Relevant Company** means the company, any parent or subsidiary undertaking of the company, or any other body, whether or not incorporated, in which the company or any parent or subsidiary undertaking of the company or any of their predecessors has or had any interest (direct or indirect) or which is in any way allied to or associated with the company or parent or subsidiary undertaking of the company