

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY GUARANTEE

SACRO

RESOLUTIONS

(Passed on Friday 9 December 2005)

At the Annual General Meeting of SACRO (the "Company"), duly convened and held at 19 Albany Street, Edinburgh on Friday 9 December 2005, the following special resolution was passed:-

SPECIAL RESOLUTION

1. THAT, pursuant to section 9 of the Companies Act 1985, the Articles of Association of the Company be and are hereby amended by deleting the present Articles 55, 56, 57 and 58 and by adopting new Articles 55, 56, 57 and 58 namely:

"55 Subject to Articles 56 and 57 below, at each Annual General Meeting of the Company one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office, but (subject to the provisions of Article 57 below) shall be eligible for re-appointment. A Director retiring shall retain office until the conclusion or adjournment of the meeting at which he retires."

"56. Any Co-opted Director shall not be taken into account in determining the Directors who are to retire by rotation in accordance with Article 55 above, at the first Annual General Meeting following his appointment, provided that if that Co-opted Director is not re-appointed at such Annual General Meeting (whether because of his ineligibility for re-appointment in terms of Article 57.1.1 and Article 57.2 below, or otherwise) he shall vacate office at the conclusion of that Annual General Meeting."

"57. Subject to and pursuant to Article 56 above,

57.1 the Directors to retire by rotation at each Annual General Meeting shall be (in order of precedence):

57.1.1 those who have served as Directors for a period or periods (whether during consecutive terms, or as both a Director and then as a Co-opted Director (or vice versa) or otherwise) equal to or greater than six calendar years; and then

57.1.2 those who have been longest in office since their last appointments or re-appointments. As between Directors of equal length of appointment since their last appointments or re-appointments, the Directors to retire by rotation pursuant to this Article 57.1.2 shall, in the absence of agreement, be selected from among them by lot.

For the avoidance of doubt, any Director or Co-opted Director that has been in office for a period or periods of equal to or greater than six calendar years (whether during consecutive terms, or as both a Director and then as a Co-opted Director (or vice versa) or otherwise) shall retire at the date of the next Annual General Meeting held on or subsequent to the sixth anniversary of his appointment whether or not the total number of Directors retiring at that Annual General Meeting is greater than one-third of the existing Directors.



- 57.2 A retiring Director or Co-opted Director shall be eligible for re-appointment, save that a Director or Co-opted Director that has been in office for a period or periods equal to or greater than six calendar years (whether during consecutive terms, or as both a Director and then as a Co-opted Director (or *vice versa*) or otherwise) shall be ineligible for re-appointment as either a Director or as a Co-opted Director (unless he is to be re-appointed pursuant to the provisions of Article 57.3 below). The terms of this Article 57.2 shall be without prejudice to the terms of Article 72 below.
- 57.3 Notwithstanding Article 57.2 above, the Board may at any time, acting unanimously, appoint a retired or retiring Director as a Co-opted Director (but not as a Director) where he is ineligible for re-appointment due solely to the length of his period in office but is not otherwise disqualified. Notwithstanding Article 48 above (the terms of which shall be read in accordance with this Article 57 for the purposes of this Article 57 only), a person appointed as a Co-opted Director in terms of this Article 57.3 may only be appointed for one term, which term shall end as at the date of the next Annual General Meeting of the Company."
- "58. The Company may, at the Annual General Meeting at which a Director retires by rotation, fill up the vacated office by appointing a person thereto, and in default the retiring Director shall, if offering himself for re-appointment, be deemed to have been re-appointed, unless (i) at such Annual General Meeting it is expressly resolved not to fill such vacated office, or (ii) a resolution for the re-appointment of such Director shall have been put to the Annual General Meeting and lost, or (iii) he is ineligible for re-appointment as a Director in terms of Article 57.2 above."



Minutes of the Sacro AGM at 4.00 pm on Friday 9 December 2005 at 19 Albany Street, Edinburgh

Present Niall Campbell (Chair), Neil Ballantyne, David Colvin, Jeanne Dean, Stuart Kermack, Robert Marshall, Paul Morron, Tony Simpson, Jandy Stevenson (Treasurer), Khushi Usmani, Robert Younger

In attendance Susan Matheson, Steven Morton (Minutes), Mike O'Donnell, Lynda Ross-Hale, Keith Simpson

Apologies David Abernethy, John Baird, Margaret Cox, Neil Hutton, Andrew Mann, Sue Moody, Tony Simpson, Robert Swinfen, Jacqueline Tombs, Bill Whyte

Extract for Special resolution

6 Special Business

The meeting considered the Special Resolution setting out a change to the Articles of Association of the Company with regard to the appointment of Directors. The full wording of the resolution is attached as Annex 2.

The Chair outlined the rationale for the proposed changes, which had been discussed in detail by the Board.

The meeting **agreed** to amend the Articles of Association of the Company by adopting the changes contained in the special resolution.