

T D Young
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Articles of Association
referred to in the
Attended
with resolution
dated 20th December 1995

THE COMPANIES ACTS 1985 TO 1989

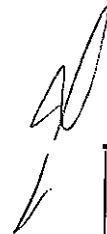
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SALTIRE NUMBER FIFTY EIGHT LIMITED

(registered in Scotland No. 160955)



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THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION^{*}

OF

SALTIRE NUMBER FIFTY EIGHT LIMITED

PRELIMINARY

1.

1.1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F)(Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

1.2. In these Articles the following expressions shall have the following meanings:-

"the Act"	means the Companies Act 1985, but so that any reference in these Articles 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;
"the Board"	means the board of directors of the Company from time to time;
"Controlling Interest"	means an interest in shares in the Company conferring 50% or more of the total voting rights conferred by all the issued shares in the Company;

^{*}1 adopted pursuant to Special Resolution of the members dated 20th December 1995

“JB”	means James Bailey of 38 Artillery Street, Colchester, CO1 2JL;
“RYB”	means Richard Y Brown of 6 Brownhills Gardens, St.Andrews, Fife, KY16 8PY;
“MGB”	means Mrs Maria Grazia Brown of 6 Brownhills Gardens, St.Andrews, Fife, KY16 8PY;
“Net Profits”	means the net profit of the Company, calculated on the historical accounting basis and shown in the audited profit and loss account of the Company for the relative financial year (to the nearest £1) but before deducting any corporation tax on the profits earned and gains realised (if any) by the Company.

ALLOTMENT OF SHARES

2.

- 2.1. Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the directors who may (subject to Section 80 of the Act and to paragraph 2.4 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 2.2. All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act.

- 2.3. In accordance with section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 2.4. The directors are generally and unconditionally authorised for the purposes of Section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.

SHARE CERTIFICATES

3. The words "shall be sealed with the seal" where they appear in the second sentence in Clause 6 in Table A shall be deleted and replaced with the following "shall be executed on behalf of the Company". Clause 6 in Table A shall be modified accordingly.

SHARES

4. The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

GENERAL MEETINGS AND RESOLUTIONS

5.
 - 5.1. A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and Auditors, and the appointment of, and the fixing of the remuneration of, the auditors.

5.
 - 5.2. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any

general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

JB shall be entitled to vote at any general meeting, either in person or by proxy in respect of any shares held by him notwithstanding that there are or may be moneys payable by him in respect of any such shares. Regulation 57 of Table A shall be amended accordingly.

6.

- 6.1. Clause 40 in Table A shall be read and construed as if the words "at the time when the meeting proceeds to business" were added at the end of the first sentence.
- 6.2. If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.
- 6.3. Clause 41 in Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

7.

- 7.1. Clause 64 in Table A shall not apply to the Company.
- 7.2. The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenssoever the minimum number of the directors shall be one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the directors generally and Clause 89 in Table A shall be modified accordingly.
- 7.3. The directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 7.4. No person shall be appointed a director at any general meeting unless either:-
 - 7.4.1. he is recommended by the directors; or
 - 7.4.2. not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice executed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.

- 7.5. Subject to paragraph 7.4 above, the Company may by ordinary resolution in general meeting appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 7.6. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with paragraph 7.2 above as the maximum number of directors and for the time being in force.
- 7.7. Notwithstanding anything to the contrary contained in these Articles or the Act, for so long as he shall hold 20% or more of the issued share capital of the Company JB shall be entitled to appoint as a director any one person approved by the directors (whose approval shall not be unreasonably withheld or delayed) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place.
- 7.8. Notwithstanding anything to the contrary contained in these Articles for so long as they shall hold either jointly or separately in aggregate 20% or more of the issued share capital of the Company RYB and MGB shall be entitled to appoint as a director any one person and approved by the directors (whose approval shall not be unreasonably withheld or delayed) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place.
- 7.9. Any appointment or removal in terms of Articles 7.7 or 7.8 above shall be effected by notice in writing signed by JB, or as the case may be RYB and/or MGB and delivered to the registered office of the Company.

8. LIMITATION ON TRANSFER OF CONTROL

No sale or transfer of the legal or beneficial interest in any shares shall be made or registered if such sale or transfer would result in a person or persons who was or were not a member of members of the Company as at the date of adoption of these Articles obtaining direct or indirect control of a Controlling Interest unless, before the transfer is made, the proposed transferee makes a written offer (open for acceptance for a period of at least 30 days) to all the members to purchase all the shares in the capital of the Company then in issue (at the same time and on the same terms and conditions for each member).

BORROWING POWERS

9. The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

10.
 - 10.1. An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.
 - 10.2. A director, or any such other person as mentioned in Clause 65 in Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

DISQUALIFICATION OF DIRECTORS

11. The office of a director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Clause 81 in Table A shall be modified accordingly.

GRATUITIES AND PENSIONS

12.
 - 12.1. The directors may exercise the powers of the Company conferred by clause 3(r) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.
 - 12.2. Clause 87 in Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

13.
 - 13.1. A director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall

vote on the same) be taken into account in calculating the quorum present at the meeting.

13.2. Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

14. Members of the Board or of any Committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such a meeting.

INDEMNITY

15.

15.1. Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

15.2. Clause 118 in table A shall not apply to the Company.

16. DIVIDEND POLICY

16.1. Subject to Article 16.2 below profits of the Company in respect of any financial year shall be applied in paying to the members a net cash dividend of an amount per share equal to 10% of the Net Profits of the Company for the relative financial year ("the Participating Dividend"), providing that no such dividend shall be payable in respect of the period before 31st December 1995.

16.2. The Participating Dividend (if any) shall be payable, subject to the discretion of the Board, not more than 14 days after the General Meeting at which the audited accounts of the Company for the relevant financial year are presented.

OVERRIDING PROVISION

17. For so long as he shall be the registered holder of not less than 20% of the issued share capital of the Company the consent of JB, (or his personal representatives) shall be required for any amendment or alteration to the Articles of Association of the Company.