

COMPANIES ACT  
COMPANY LIMITED BY SHARES  
RESOLUTION

of

Mackays of Dingwall Limited ("the Company")

(Registered No.177001)

PASSED on 10th February 1998

The undernoted written resolution was passed on 10th February 1998 as a resolution of the Company:-

WRITTEN RESOLUTION

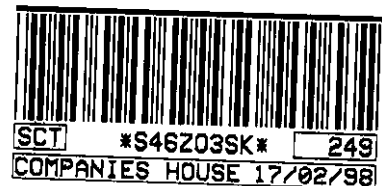
"We, John Muir Manson and Muir Mackay, being the shareholders in the Company hereby resolve to amend the Articles of Association by adding Articles 3(C)-(E), 8.2 and 8.3, copies of which are annexed hereto, and renumbering the Articles accordingly."

Date: 10 February 1998

Registered Office

Strathpeffer Road  
Dingwall  
Ross-shire  
IV15 9QF

*John Macmillan*  
Company Secretary



**Article 3(C)-(E) to be added to Articles of Association of Mackays of Dingwall Ltd**

3. (C) Notwithstanding any other provision of these Articles, before any unissued shares in the share capital of the Company are allotted, they shall first be offered to members holding shares in the share capital of the Company at the relevant date for subscription in proportion (as nearly as may be without involving fractions) to their existing holdings of shares in the share capital of the Company. Any such offer shall be made by notice in writing, specifying the number of shares offered and the subscription price per share and limiting a time within which the offer, if not accepted, will be deemed to be declined.
- (D) Any member desiring to subscribe for shares offered to him in proportion to his then existing share holding in the equity share capital of the Company may on accepting the offer state how many shares in the share capital of the Company in excess of his proportionate entitlement he desires to subscribe and, if all the members holding share capital of the Company do not claim their proportions of the shares offered pursuant to paragraph (C) above, the shares which are thereby unclaimed shall be apportioned and allotted to the members desiring to subscribe for the excess thereof in proportion (as nearly as may be without involving fractions or increasing the number allotted to any applicant beyond that applied for by him), in the case of competition, to their then existing holdings of shares in the share capital of the Company.
- (E) Any shares not subscribed by members pursuant to paragraphs (C) and (D) above may be offered by the directors within two months of the specified offer expiry date to such persons as they may select, provided that no such allotment shall be on terms more favourable than those offered to the original offerees under this Article.

Articles 8.2 and 8.3 for insertion in Articles of Association of Mackays of Dingwall Ltd

- 8.2 (A) Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a share or any interest in or arising from a share in the Company (an option or other like right to acquire any share (whether by subscription or otherwise) being deemed also to be an interest in a share for this purpose) shall be subject to the restrictions and provisions set out below in this Article.
- (B) Every person proposing to transfer or otherwise dispose of any share or shares or any interest in any share or shares ("the Transferor") shall give a notice in writing ("the Transfer Notice") to the Company that he desires to transfer the same and specifying the price per share which in his opinion constitutes fair value thereof and shall deposit with the Company the relevant share certificate(s). The Transfer Notice shall constitute the Company the Transferor's agent for the sale of all (but not some) of the share or shares specified therein ("the Sale Shares") at the price specified therein or at the fair value reported in accordance with paragraph (D) below (whichever shall be the lower) to any member (other than the Transferor).
- (C) Within seven days after the receipt by the Company of the Transfer Notice the Company shall by an offer notice ("Offer Notice") offer the shares to all the members other than the Transferor as nearly as may be in proportion to the number of shares held by them respectively and shall limit the time in which any such offer may be accepted, not being less than twenty one days nor more than forty two days of the date of the Offer Notice, provided that if a report on the fair value is requested under paragraph (D) below such offer shall remain open for acceptance for a period of fourteen days after the date on which notice of fair value reported on in accordance with that paragraph shall have been given by the Company to the recipients of the Offer Notice or until the expiry of the period specified in the Offer Notice whichever is the later. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. Any Offer Notice shall further invite each member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to

purchase and if all the members do not accept the offer in respect of their respective proportions in full then the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the members in proportion to their existing holdings, the same shall be offered to the members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto and the lots shall be drawn in such manner as the Directors may think fit.

- (D) Any member may, not later than eight days after the date of the Offer Notice, serve on the Company a notice in writing requesting that a firm of independent accountants ("independent accountants") report in writing the sum which in their opinion represents the fair value of the shares comprised in the Transfer Notice as at the date of the Transfer Notice. Upon receipt of such notice the Company shall instruct the independent accountants to report as aforesaid and the costs of such valuation shall be apportioned among the Transferor and the purchasing members. The independent accountant shall be instructed to determine the fair value of the shares comprised in the Transfer Notice by valuing the entire issued share capital of the Company at the time as between a willing buyer and a willing seller and by dividing the resultant figure by the number of shares in issue, and multiplying the result by the number of shares comprised in the Transfer Notice. In reporting the fair value as aforesaid the independent accountants shall be considered to be acting as experts and not as arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply. Upon receipt of the report of the independent accountants, the Company shall by notice in writing inform all members of the fair value of each share and of the price per share (being the lower of the price specified in the Transfer Notice and the reported fair value of each share) at which the shares comprised in the Transfer Notice are offered for sale. Within seven days of receipt of such notice, the Transferor may, except in the case of a

Transfer Notice deemed to have been given in accordance with Article 8.3, withdraw such Transfer Notice.

- (E) If members shall be found for the purchase of all the shares comprised in the Transfer Notice within the relevant offer period specified in paragraph (C) above, the Company shall not later than seven days after the expiry of such period give a sale notice ("Sale Notice") to the Transferor and the Transferor shall be bound upon payment of the price due in respect of all the shares comprised in the Transfer Notice to transfer the shares to such members.
- (F) If in any case the Transferor after having become bound as aforesaid makes default in transferring any shares, the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares in favour of the member or members purchasing the shares. The receipt of the Company for the purchase money shall be a good discharge to such members. The Company shall pay the purchase money into a separate bank account and shall account therefor to the Transferor.
- (G) If the Company shall not give a Sale Notice to the Transferor within the time specified in paragraph (E) above, he shall, during the period of thirty days next following the expiry of the time so specified, be at liberty subject to paragraph (A) above to transfer all or any of the shares comprised in the Transfer Notice to any person or persons on terms no more favourable to the transferee than those contained in the Transfer Notice provided that the Directors may require to be satisfied (acting reasonably) that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer.
- (H) For the purposes of Article 8.2(A) Permitted Transfers means:-
  - (i) any transfer of shares to a member's spouse or children; or

- (ii) the transfer of subscriber share held by Victoria Janet Ewart to John Muir Manson.

8.3 (A) (i) A person entitled to shares in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice pursuant to Article 8.2 above in respect of such shares;

- (ii) a person entitled to shares in consequence of the death of a member shall be bound at any time after the expiry of one year from the date of such death, if and when required in writing by the Directors so to do, to give a Transfer Notice pursuant to Article 8.2 above in respect of such shares;

- (iii) if a liquidator is appointed of any corporate member of the Company or if a receiver is appointed of all or any part of the assets and undertaking of a corporate member of the Company, such liquidator or receiver shall be deemed to have served a Transfer Notice pursuant to Article 8.2 above on the date of his appointment in respect of all the shares in the Company owned by such corporate members.

(B) For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required or deemed to be given hereunder, the Directors may from time to time require any member or any person entitled to the shares of any member in consequence of bankruptcy or death 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 reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled:-

- (i) to refuse to register the transfer in question or in case no transfer is in question to require by notice in writing that a Transfer Notice be

given by the holders of the relevant shares in respect of all such shares in accordance with Article 8.2. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares the Directors may by notice in writing require that a Transfer Notice be given or state that a Transfer Notice shall be deemed to have been given by the holders of those shares in respect of all such shares; and/or

- (ii) to serve upon the registered holder of the shares in question a notice (a "disenfranchisement notice") stating that such shares shall from the service of such disenfranchisement notice on the registered holder confer no right to attend or vote at any general meeting of the Company or at any class meeting or to receive or be entitled to receive any dividend or other distribution henceforth until such time as the Directors shall think fit and such shares shall confer no such rights accordingly;
- (C) In any case where the Directors have duly required a Transfer Notice to be given in respect of any shares or any one or more members have become bound to give a Transfer Notice and such Transfer Notice is not duly given within a period of one calendar month (or such longer period (if any) as the Directors may allow for the purpose) such Transfer Notice shall be deemed to have been given on such date after the expiry of the said period as the Directors may by resolution determine and the provisions of Article 8.2 above relating to transfers shall take effect accordingly.
- (D) Where a Transfer Notice is given or deemed to be given under this Article and no price per share is specified therein, the Transfer Notice shall be deemed to specify the sum which shall, on the application of the Directors, be reported in writing by the independent accountants in accordance with Article 8.2(D) above as the fair value thereof.