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THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

DUNWILCO (701) LIMITED  
(to be re-named Stewart Milne (West) Limited)

(Adopted by Special Resolution on 13 February 1999)

Registered in Scotland  
Reg No SC192726

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**THE COMPANIES ACT 1985**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

of

**DUNWILCO (701) LIMITED**  
(to be re-named Stewart Milne (West) Limited)

(Adopted by Special Resolution passed on 13 February 1999)

**1. CONSTITUTION**

1.1 The Company is established as a private company within the meaning of Section 1(3) of the Companies Act 1985 in accordance with and subject to the provisions of the Companies Act 1985 as amended by the Companies Act 1989 (hereinafter referred to as "the Act") and of the Memorandum of Association of the Company and of the Regulations contained in Table A, in The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter referred to as "Table A") with the exception of Regulations 2, 5, 24, 32, 40, 50, 64, 73 to 78 (inclusive), 80, 81, 113 and 118 of Table A, and of any other Regulations which are inconsistent with the additions and modifications hereinafter set forth.

1.2 For the purposes of these Articles:-

1.2.1 "Properties" means the properties owned or to be owned by the Company at East Auchinleck Farm, Lenzie, Inverkip and Langfaulds, Bearsden and "Property" shall be construed accordingly;

1.2.2 "Horizon Loan Stock Deeds" means the Instruments executed by the Company and dated of even date with the adoption of these Articles constituting up to £5,500,000 of Unsecured Redeemable 'A' Loan Stock and £300,000 of Unsecured Redeemable 'C' Loan Stock of the Company; and

1.2.3 "SM Loan Stock Deeds" means the Instruments executed by the Company and dated of even date with the adoption of these Articles constituting up to

£250,000 Unsecured Redeemable 'B' Loan Stock and £750,000 Unsecured Redeemable 'D' Loan Stock of the Company.

2. **SHARE CAPITAL**

2.1 At the date of adoption of these Articles, the share capital of the Company is £1,000 divided into 500 'A' Ordinary Shares of £1 each (the "'A' Shares"), and 500 'B' Ordinary Shares of £1 each (the "'B' Shares").

2.2 Without prejudice to the other provisions of these Articles the rights attaching to the "A" Shares and the B Shares shall be as follows:

(1) **as regards income**

(a) Profits of the Company available for distribution in any financial year of the Company shall be paid to the holders of the A Shares and B Shares as follows:-

(i) 75% of such dividend or distribution being paid to the holders of the A Shares; and

(ii) 25% of such dividend or distribution being paid to the holders of the B Shares;

such dividend or distribution being determined by the Board of Directors of the Company and approved by the Company in general meeting; and

(b) every dividend or distribution shall be distributable to the appropriate shareholders pro rata according to the amounts paid up or credited as paid up on the shares or the relevant class held by them.

(2) **as regards capital**

(a) On a return of assets on liquidation or otherwise, the assets of the Company available for distribution to the members of the Company, after payment of all its liabilities, shall be distributed to the holders of the A Shares and the B Shares as follows:-

- (i) 75% of the total amount of such assets available for distribution to the holders of the A Shares; and
  - (ii) 25% of the total amount of such assets available for distribution to the holders of the B Shares;
- (b) the assets of the Company which are so available for distribution shall be distributed to the appropriate shareholders pro rata according to the amounts paid up or credited as paid up on the shares of the relevant class held by them.
- (3) **as regards voting**

The holders of the A Shares and the B Shares shall be entitled to vote at all general meetings of the Company and such holder who (being an individual) is present in person or (being a corporation) is present by representative shall have on a show of hands, one vote and, on a poll, every such holder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for each A Share or B Share of which he is the holder.

2.3 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may be modified, varied or abrogated, either whilst the Company is a going concern or during or in contemplation of winding-up, with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles shall, *mutatis mutandis*, apply except that the necessary quorum at each such general meeting shall be one person at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of each share of the class held by them respectively. Provided that without prejudice to the

generality of this Article 2 the special rights attached to the 'A' Shares and the 'B' Shares shall be deemed to be varied:-

- 2.3.1 by any alteration, increase, reduction or redemption (other than in accordance with the provisions of these Articles) of the authorised or issued share capital of the Company or by any variation of any of the rights attached to any of the shares for the time being in the capital of the Company; or
- 2.3.2 by any alteration of the restrictions on the powers of the Directors of the Company or any of its subsidiaries to borrow monies, give guarantees or create charges; or
- 2.3.3 by the sale or disposal of the undertaking of the Company or any of its subsidiaries or any material part thereof or by the acquisition by the Company or any of its subsidiaries of any undertaking; or
- 2.3.4 by the acquisition of any shares, debentures, stock or instruments convertible into shares by the Company or any of its subsidiaries; or
- 2.3.5 by the sale or disposal by the Company of any share in any of its subsidiaries; or
- 2.3.6 by the calling of a meeting of the Company or any of its subsidiaries to do any of the above; or
- 2.3.7 by the calling of a meeting of the Company or any of its subsidiaries for the purpose of considering a resolution to wind up the Company or any of its subsidiaries; or
- 2.3.8 by the calling of a meeting of the Company or any of its subsidiaries for the purpose of considering a resolution to approve or authorise the purchase by the Company or any of its subsidiaries of its own shares; or

- 2.3.9 by the calling of a meeting of the Company or any of its subsidiaries for the purpose of considering a resolution to amend the Memorandum or Articles of Association of the Company or any of its subsidiaries; or
- 2.3.10 by the application by way of capitalisation of any sums in or towards paying up any loan, loan stock, debenture or debenture stock of the Company or any of its subsidiaries.
- 2.4 Notwithstanding any other provisions in these Articles, no equity securities (as defined in Section 94 of the Act) shall be offered or allotted to any person except with the prior written consent of all of the holders of the 'A' Shares and the 'B' Shares from time to time.
- 2.5 In accordance with Section 91 of the Act, Sections 89(1) and 90(1) to (6) inclusive of the Act shall be excluded from applying to the Company.

#### **SHARE CERTIFICATES AND SEAL**

- 3.1 Regulation 6 of Table A is hereby modified by adding after the words "Every certificate shall be sealed with the seal" where those words appear at the beginning of the second sentence thereof the following words:- "or otherwise subscribed or executed by or on behalf of the Company in accordance with the provisions of the Act".
- 3.2 The Company shall not have a seal.

#### **4. LIEN**

In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted and the words "and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company" shall be inserted after the words "in respect of that share".

5. **FORFEITURE OF SHARES**

Regulation 18 of Table A is hereby modified by adding at the end of the first sentence thereof the following:-

"and all expenses that may have been incurred by the Company by reason of such non-payment."

6. **TRANSFER OF SHARES**

6.1 Unless in any particular case all the holders for the time being of the 'A' Shares and the 'B' Shares otherwise agree in writing, none of the 'A' Shares or the 'B' Shares shall be transferred except in accordance with the provisions contained in this Article.

6.2 Except in the case of a transfer permitted by these Articles, the Directors in their absolute discretion and without assigning any reason therefor shall decline to register any transfer of shares which are not fully paid up or on which the Company has a lien.

6.3 For the purposes of these Articles, the renunciation or negotiation of any temporary document of title to any share shall constitute a transfer.

6.4 Except in the case of a transfer expressly authorised in terms of Article 6.1 above, no share or interest in any share of the Company shall be transferred or disposed of otherwise than in accordance with the following provisions of this Article 6.

6.5 Subject to the foregoing provisions of this Article 6, before transferring or disposing of any shares or any interest in any shares the person proposing to transfer or dispose of the same ("the Proposing Transferor") shall give a notice in writing (a "Transfer Notice") to the Company that he desires to transfer the same and shall deposit with the Company the relevant share certificate(s). The Transfer Notice shall constitute the Company his agent for the sale of the shares therein mentioned ("the Sale Shares") at the Prescribed Price during the Prescribed Period (as both expressions are defined below) in accordance with and subject to the provisions of this Article 6. The Transfer Notice shall (save as hereafter expressly provided) be irrevocable and no Transfer Notice shall relate to more than one class of share.

Provided Always That all Transfer Notices (other than those deemed to have been given) shall be deemed to state unless such Transfer Notice contains an express provision to the contrary that the Proposing Transferor is not willing to transfer part only of the Sale Shares and Article 6.10 shall not apply unless the Company shall have found Purchasers for the whole of such shares.

6.6 If not more than one month before the date on which the Transfer Notice was given the Proposing Transferor and the Directors acting unanimously shall have agreed a price per share as representing the fair value thereof or as being acceptable to the Proposing Transferor then such price shall be the Prescribed Price (subject to the deduction therefrom of any dividend or other distribution paid after such agreement and prior to the said date). Otherwise upon the giving of the Transfer Notice, the Directors acting unanimously shall appoint, subject to the nomination procedure referred to below:-

- (i) a firm of independent chartered surveyors ("Surveyors") to determine and certify the current market value of the Properties (having regard to what consents, planning permissions, approvals and the like have been obtained by the Company in respect of the Properties ("the Property Valuation"); and
- (ii) a firm of independent accountants ("the independent accountants") to determine and certify the sum per share considered by them to be the market value of the Sale Shares as between a willing seller and a willing buyer as at the said date and the sum per share so determined and certified ("the Fair Value") shall be the Prescribed Price. The independent accountants shall, in determining the Fair Value of any 'A' Shares or any 'B' Shares at any time:-

6.6.6.1 determine the sum which a willing buyer would offer to a willing seller for the whole of the issued share capital of the Company such sum to include any value attributed to the Shares given that the company has obtained planning and development permission for the Property and having regard to the Property Valuation and having regard to and deducting and taking account of the amount or amounts of the loan stock in issue pursuant to and in terms of the Horizon Loan Stock Deeds and an amount equal to the



nominal value of the loan stock and/or which had in issue previously been in issue pursuant to and in terms of the SM Loan Stock Deeds before the service or deemed service of the Transfer Notice;

6.6.6.2 divide the resultant figure by 2(two);

6.6.6.3 make such adjustment as they consider necessary to reflect the price offered in terms of any third party bona fide offers for such shares or to allow for any rights which may be outstanding with regard to such shares;

so that in the case of the 'A' Shares or the 'B' Shares there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of a Transfer Notice or in relation to the transferability of the Sale Shares. The nomination of the independent accountants and the Surveyors shall be agreed between the Directors acting unanimously and the Proposing Transferor and, failing such agreement within 14 days, the nomination shall be made on the application of either the Directors acting unanimously or the Proposing Transferor by the President for the time being of the Institute of Chartered Accountants of Scotland or the Chairman for the time being of the Scottish Branch of the Royal Institution of Chartered Surveyors (as appropriate). The independent accountants and the Surveyors shall act hereunder at the cost and expense of the Company as experts and not as arbiters and their determination shall be final and binding on all persons concerned.

6.7 If the Prescribed Price was agreed as aforesaid prior to the said date, the Prescribed Period shall commence on such date and expire three months thereafter. If the Prescribed Price was not so agreed, the Prescribed Period shall commence on such date and expire three months after the date on which the independent accountants shall have notified the Directors of their determination of the Prescribed Price, pending which the Company shall defer the making of the offer hereinafter mentioned.

6.8 The Sale Shares shall first by notice in writing be offered by the Company to all members holding shares of the same class (other than the member to whose shares

the Transfer Notice relates) for purchase at the Prescribed Price on terms that in case of competition the Sale Shares shall (in accordance with but subject to the provisions of Article 6.9 below) be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of shares of the same class. Such offer shall limit a time (not being less than thirty-five days) within which it must be accepted or in default will lapse.

- 6.9 If the Sale Shares are not so purchased they shall respectively be offered to each holder of 'B' Shares (in the case of the Sale Shares being 'A' Shares) and 'A' Shares (in the case of the Sale Shares being 'B' Shares) for purchase at the Prescribed Price in the same manner *mutatis mutandis* as set out in Article 6.8.
- 6.10 If the Company shall within the Prescribed Period find a member ("Purchaser") or members ("Purchasers") to purchase the Sale Shares or any of them, it shall give notice in writing thereof to the Proposing Transferor and he shall be bound, upon payment of the Prescribed Price, to transfer such shares to the Purchaser or respective Purchasers (if more than one). Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Company not being less than three days nor more than ten days after the date of such notice
- 6.11 If the Sales Shares are purchased by the holder or holders of shares of the other class from the Sale Shares, the Sale Shares shall on transfer of such shares be re-designated as shares of the same class as those shares already held by the purchasing member or members.
- 6.12 If a Proposing Transferor makes default in so transferring all or any of the Sale Shares as aforesaid, the Company shall, if so required by the Purchaser or Purchasers authorise some person to execute and deliver on his behalf the necessary transfers and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser or Purchasers to be registered as the holder or holders of such Sale Shares. The receipt by the Company of the purchase money

shall be a good discharge to the Purchaser or Purchasers (who shall not be bound to see to the application thereof) and after the Purchaser or Purchasers have been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

- 6.13 If the Company shall not within the Prescribed Period find a Purchaser or Purchasers willing to purchase all the Sale Shares or, the Company shall within the Prescribed Period give to the Proposing Transferor notice that it has been unable to find such a Purchaser or Purchasers and unless the Transfer Notice contains an express provision as contemplated by the provisions of Article 6.10 the Transfer Notice shall thereupon lapse and no transfer of the Sale Shares shall be effected otherwise the transfers of the Sale Shares for which a Purchaser or Purchasers have been found shall be effected.
- 6.14 If any member or person gives or is deemed to give a Transfer Notice pursuant to this Article 6 or Article 7 below, he shall forthwith deposit with the Company the share certificate(s) in respect of the shares in the Company the subject of the Transfer Notice. The Prescribed Price for the purposes of any such required or deemed Transfer Notice shall be the Fair Value. Any member or person required or deemed to give a Transfer Notice as aforesaid shall be deemed to be a Proposing Transferor and the shares to which such Transfer Notice relates shall accordingly be Sale Shares.
- 6.15 6.15.1 Notwithstanding any other provisions of these Articles, in the event of a proposed sale or transfer of shares in the capital of the Company or interest in any shares (irrespective of how arising) but excepting always any sale or transfer of shares in accordance with the other provisions of this Article 6, no sale or transfer of such shares or any interest in such shares shall be permitted, made or validly registered in the Register of Members of the Company unless and until the prospective purchaser of the shares has first offered unconditionally (except as provided in this Article 6.15) to purchase from all of the members of the Company for cash at the Specified Price (as hereinafter defined) per share their entire holding of shares (of whatever class) in the capital of the Company and such offer(s) have been

unconditionally accepted by all of the members and all the shares (of whatever class) of the Company subject to such offer have been purchased and sold pursuant to the terms of such offer(s).

6.15.2 For the purposes of this Article 6.15, the expression "Specified Price" shall mean the Fair Value of the shares calculated in accordance with Article 6.6 or (if higher) the price (whether in cash, kind or otherwise) being offered by the prospective purchaser of the shares.

6.16 Notwithstanding any other provision of these Articles of Association, the holder or holders of the 'A' Shares for the time being shall be entitled at any time to transfer all or any of the 'A' Shares to any member of the 'A' Shareholder Group and the provisions of Articles 6.1 to 6.15 shall not apply to any such transfer or transfers.

6.17 Prior to ceasing for whatever reason to be a member of the 'A' Shareholder Group, a transferee of 'A' Shares as aforesaid shall transfer such 'A' Shares to another member of the 'A' Shareholder Group. For the purposes of this Article 6, "member of the 'A' Shareholder Group" means a holder of the 'A' Shares and any company which is from time to time a holding company or subsidiary of such holder of the 'A' Shares or a subsidiary of its holding company (as those expressions are defined in Section 736 of the Act).

6.18 Notwithstanding any other provision of these Articles of Association, the holder or holders of the 'B' Shares for the time being shall be entitled at any time to transfer all or any of the 'B' Shares to any member of the 'B' Shareholder Group and the provisions of Articles 6.1 to 6.15 shall not apply to any such transfer or transfers.

6.19 Prior to ceasing for whatever reason to be a member of the 'B' Shareholder Group, a transferee of 'B' Shares as aforesaid shall transfer such 'B' Shares to another member of the 'B' Shareholder Group. For the purposes of this Article 6, "member of the 'B' Shareholder Group" means a holder of the 'B' Shares and any company which is from time to time a holding company or subsidiary of such holder of the 'B' Shares or a subsidiary of its holding company (as those expressions are defined in Section 736 of the Act).

7. **MANDATORY TRANSFER**

If a liquidator is appointed in respect of any corporate member of the Company or if a receiver or administrative receiver is appointed in respect of all or any part of the assets and undertaking of a corporate member of the Company, the corporate member to whom a liquidator, receiver or administrative receiver is appointed shall be deemed to have served a Transfer Notice pursuant to Article 6 above on the date of his appointment in respect of all the shares in the Company owned by such corporate members.

**GENERAL MEETINGS**

- 8.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and throughout the meeting. A quorum shall consist of two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member Provided that so long as the issued share capital of the Company is divided into 'A' Shares and 'B' Shares, at least one such person shall be a member or a proxy for a member or a duly authorised representative of a corporation which is the holder of 'A' Shares and at least one such person shall be a member or a proxy for a member or a duly authorised representative of a corporation which is the holder of 'B' Shares.
- 8.2 Questions arising at any meeting of the members shall be decided by a majority of votes of the members present provided that:
- 8.2.1 if at any meeting of the members any holder of 'A' Shares is not present in person or represented by a proxy, the votes of the holders of 'A' Shares present in person or represented by a proxy shall be increased so that such holders of 'A' Shares shall be entitled together to cast the same aggregate number of votes as could be cast by the holders of 'A' Shares if they were all present; and
- 8.2.2 if at any meeting of the members any holder of 'B' Shares is not present in person or represented by a proxy, the votes of the holders of 'B' Shares present in person or represented by a proxy shall be increased so that such

holders of 'B' Shares shall be entitled together to cast the same aggregate number of votes as could be cast by the holders of 'B' Shares if they were all present.

9. A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy or, in the case of a corporation, by a duly authorised representative, and such person shall be entitled to vote. Regulation 46 of Table A shall be construed accordingly.
10. No resolution not previously approved unanimously by the Directors shall be moved by any member at a general meeting unless the member intending to move the same shall have left a copy thereof with his name and address at the registered office of the Company three clear days prior to such meeting.
11. Notice of every general meeting shall be given to every member whether or not he shall have supplied to the Company an address within the United Kingdom for the giving of notices and Regulations 112 and 116 of Table A shall be construed accordingly.
12. Any member (or, where appropriate, his proxy or corporate representative) may participate in any general meeting by means of conference telephone or other communications equipment whereby all parties participating in the meeting can hear and speak to one another and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting, and the phrase "general meeting" in these Articles shall be construed accordingly.

## **DIRECTORS**

13. Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be 4.
14. 14.1 For the purpose of this Article, the 'A' Shares and the 'B' Shares shall be regarded as two separate classes of shares. The holder or holders of the 'A' Shares shall be entitled to appoint 2 Directors and the holder or holders of the 'B' Shares shall be entitled to appoint 2 Directors;

- 14.2 The holder or holders of each class of shares entitled to appoint a Director or Directors pursuant to Article 14.1 shall be entitled from time to time to remove from office any Director or Directors so appointed and to appoint another Director or other Directors in place of such Director or Directors who may have been removed from or otherwise vacated office.
- 14.3 Any appointment or removal under this Article shall be made in writing under the hand or hands of the holder or holders of not less than 51 per cent in nominal value of the shares of the class concerned and any such appointment or removal shall take effect from the date upon which it is lodged at the registered office for the time being of the Company;
- 14.4 The Directors for the time being appointed by the holders of the 'A' Shares and the 'B' Shares shall respectively be known and are hereinafter referred to as the 'A' Directors and the 'B' Directors.
15. 15.1 The quorum necessary for transaction of business at a meeting of the Directors shall be two, of which one shall be an 'A' Director present in person or by an alternate and one a 'B' Director present in person or by an alternate in each case throughout the meeting. An alternate director who is not himself a Director may, if his appointor is not present, be counted towards the quorum.
- 15.2 Any committee of the board of Directors shall consist of an equal number of 'A' Directors and 'B' Directors present in person or by an alternate.
- 15.3 Questions arising at any meeting of the Directors or any committee shall be decided by a majority of votes of the Directors present provided that:
- 15.3.1 if at any meeting of the Directors or of any committee of the Directors any 'A' Director is not present in person or represented by an alternate Director, the votes of the 'A' Director or 'A' Directors present in person or represented by an alternate Director or alternate

Directors shall be increased so that such 'A' Director or 'A' Directors shall be entitled together to cast the same aggregate number of votes as could be cast by the 'A' Directors if they were all present; and

15.3.2 if at any meeting of the Directors or of any committee of the Directors any 'B' Director is not present in person or represented by an alternate Director, the votes of the 'B' Director or 'B' Directors present in person or represented by an alternate Director or alternate Directors shall be increased so that such 'B' Director or 'B' Directors shall be entitled together to cast the same aggregate number of votes as could be cast by the 'B' Directors if they were all present.

16. The office of a Director shall be vacated:-

16.1 if he becomes notour bankrupt or apparently insolvent or suspends payment or compounds with his creditors;

16.2 if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health;

16.3 if (not being a Director holding executive office as such for a fixed term) by notice in writing to the Company he resigns his office;

16.4 if he is prohibited by law from being a Director or ceases to be a Director by virtue of any provision of the Act or any statutory modification or re-enactment thereof; or

16.5 if he is removed from office under and in terms of Article 14.

17. In the event of any Director necessarily performing or rendering any special duties or services to the Company outside his ordinary duties as a Director the Directors may, if so authorised by an ordinary resolution of the Company, pay such Director special remuneration and such special remuneration may be by way of salary, commission, participation in profits or otherwise as may be arranged.



18. Regulation 79 of Table A is hereby modified by the exclusion of the proviso to such Regulation.
19. Regulation 88 of Table A is hereby modified by the exclusion of the sentence "In the case of an equality of votes, the Chairman shall have a second or casting vote". Accordingly, the Chairman shall not have a second or casting vote.
20. Regulation 94 of Table A is hereby modified by the insertion after the end of paragraph (d) thereof of the words "or (e) the nature and extent of any material interest or duty of his as aforesaid has been disclosed to the Directors in accordance with the provisions of Regulations 85 and 86 of Table A".
- 21.1 Any Director (or, where appropriate, his alternate Director) may participate in a meeting of the Directors by means of conference telephone or other communications equipment whereby all parties participating in the meeting can hear and speak to one another and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and the word "meeting" in these Articles shall be construed accordingly.
- 21.2 The location of any such meeting referred to in Article 21.1 shall be deemed to be the place where a majority of Directors is present and failing any such majority, the place where the Chairman of the Meeting is located.

## INDEMNITY

22. Every Director or officer of the Company shall be entitled to 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 or discharge 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 which the charge is found not proven or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court from liability for negligence, default, breach of duty of trust or breach of in relation to the affairs of the Company and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the

Company in the execution or discharge 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.

23. Without prejudice to the provisions of Article 22, the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees or auditors of the Company, or of any other Company in which the Company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such the company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund; for the purposes of this Article "subsidiary undertaking" shall have the same meaning as in the Companies Act 1989).

**THE COMPANIES ACT 1985**

**PRIVATE COMPANY  
LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

of

**DUNWILCO (701) LIMITED**  
(to be re-named Stewart Milne  
(West) Limited)

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