

**SCOTTISH RENEWABLES FORUM LIMITED ("the Company")**

**Registered Number SC200074**

**Extract of Special Resolution**

I hereby certify that the following resolution was passed as a special resolution at the Annual General Meeting of the Company held at The Hilton Hotel, William Street, Glasgow on 27 March 2006 at 5.45 pm and concluded on 28 March 2006:-

"That the regulations set forth in the printed document attached to the Notice calling this meeting be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the date on which this resolution is passed."

A certified copy of the regulations referred to in the foregoing resolution is attached to and forms part of this extract.



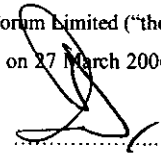
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D.J. Bone, Company Secretary

302 St Vincent Street, Glasgow

29 March 2006



These are the regulations referred to in the foregoing extract of a special resolution of Scottish Renewables Forum Limited ("the Company") passed at the Annual General Meeting of the Company held at The Hilton Hotel, William Street, Glasgow on 27 March 2006 at 5.45 pm and concluded on 28 March 2006



D.J. Bone, Company Secretary  
302 St Vincent Street, Glasgow  
29 March 2006

## **THE COMPANIES ACT 1985**

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### **COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**

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### **NEW ARTICLES OF ASSOCIATION**

**of**

### **SCOTTISH RENEWABLES FORUM LIMITED**

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**(adopted by special resolution on 28 March 2006)**

**2006**

**Wright, Johnston & Mackenzie LLP**  
**Solicitors**  
**302 St Vincent Street**  
**Glasgow**  
**G2 5RZ**  
**(Ref: S.2083.1/AGM/FC)**



# **THE COMPANIES ACT 1985**

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## **COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**

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### **ARTICLES OF ASSOCIATION OF**

#### **SCOTTISH RENEWABLES FORUM LIMITED**

**(adopted by special resolution on 28 March 2006)**

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#### **1. PRELIMINARY**

- 1.1 The Regulations contained in Table C of The Companies (Tables A to F) Regulations 1985 shall not apply to this Company, but the following shall be the Regulations of the Company.

#### **2. INTERPRETATION**

- 2.1 In these Articles unless inconsistent with the context:-

**"the Act"** means the Companies Act 1985 and any statutory amendment thereto;

**"the Articles"** means the articles of association of the Company for the time being in force;

**"Associate Member"** means one of the class or classes of member designated as such by the Company in accordance with Article 3.1;

**"Associate Members' Director"** means the director of the Company appointed in accordance with Article 11.2;

**"Auditors"** means the auditors of the Company from time to time;

**"Chairman"** means the chairman of the board of directors of the Company;

**"electronic communication"** means the same as in the Electronic Communications Act 2000;

**"Co-opted Director"** means any director of the Company other than the Full Members' Directors and the Associate Members' Director;

**"Full Member"** means one of the class or classes of member designated as such by the Company in accordance with Article 3.1;

**"Full Members' Director"** means any director of the Company appointed in accordance with Article 11.1;

**"the Office"** means the Registered Office of the Company from time to time;

**"Returning Officer"** means the person appointed under Article 11.8 to fulfil the role(s) specified in Article 11.7; and

**"Secretary"** means the company secretary of the Company from time to time.

2.2 Words importing the singular include the plural and vice versa.

2.3 Words importing the masculine include the feminine.

2.4 Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.

### 3. MEMBERS

3.1 The number of members of the Company shall be unlimited and there may be such one or more class of members having such rights and subject to such restrictions as the members entitled to receive such notice of and to attend and vote at any general meeting of the Company may by special resolution determine.

3.2 The subscribers to the memorandum of association and such other persons who may with the approval of the directors be admitted for membership in accordance with the Articles shall be members of the Company.

3.3 A person shall cease to be a member of the Company:-

3.3.1 if he, being an individual, shall die;

3.3.2 if he or it shall become bankrupt, insolvent or suspend payment or compound with his creditors;

3.3.3 if he, being an individual, shall become of unsound mind;

3.3.4 if he or it shall resign by giving four weeks notice in writing to the Company of his or its intention to do so; or

3.3.5 if a resolution is passed by a majority of the members that he should cease to be a member.

- 3.4 The directors of the Company may at their discretion resolve by majority to remove the name of a member from the register of members of the Company and the Secretary shall inform the member concerned in writing of this removal.
- 3.5 Membership of the Company shall not be assigned, transferred or transmitted in any way. The rights of a member who is an individual shall cease and determine on his death.
- 3.6 Every person desiring to become a member of the Company must sign and deliver to the Secretary at the Office:-
- 3.6.1 a written application for admission in such form as the directors of the Company may from time to time require; and
- 3.6.2 payment of any fees which the directors may from time to time prescribe.

#### **4. FEES AND SUBSCRIPTIONS**

- 4.1 Membership of the Company is conditional on payment by the member of the appropriate fee (calculated in accordance with Article 4.2 hereof).
- 4.2 Members are liable to pay a fee upon applying for membership of the Company and thereafter annually on a date set by the directors.
- 4.3 The directors are responsible for setting on an annual basis the tariff of fees payable by members and the membership rights associated with different classes of members. The current tariff of membership fees and breakdown of the classes of membership shall be made available for inspection by the members at the Office.
- 4.4 If any member fails to pay when due any sum due to the Company, whether in respect of membership fees or otherwise, the directors may at their discretion exercise their power under Article 3.4 to remove that member from the register of members. Any member so removed shall remain liable to the Company for any sum due to the Company in the period prior to their removal.

#### **5. GENERAL MEETINGS**

- 5.1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and it will specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the directors shall appoint.
- 5.2 The business to be transacted at each annual general meeting of the Company shall include:-

- 5.2.1 consideration of reports of the Company's activities and financial position and of the income and expenditure account and balance sheet to be presented to the meeting (if appropriate);
- 5.2.2 the appointment of the Full Members' Directors and the Associate Members' Director, and the ratification of the co-option of any Co-opted Directors co-opted since the date of the last general meeting; and
- 5.2.3 the appointment of the Auditors (if so resolved by the directors).
- 5.3 All other general meetings shall be called extraordinary general meetings. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisition, as provided by Section 368 of the Act.
- 5.4 Subject to the provisions of Section 369 of the Act, fourteen clear days' notice, at least, or (in the case of an annual general meeting or a meeting convened to pass a special resolution) twenty one clear days' notice, at least, shall be given to such members as are, under the provisions herein contained, entitled to receive notices from the Company, and also to the directors and the Auditors (if appointed). The length of notice in every case shall be calculated exclusive of the day on which the notice is served or deemed to be served and the day for which it is given.
- 5.5 A meeting shall, notwithstanding that it is called by shorter notice than specified in the preceding Article, be deemed to have been duly called if it is so agreed:-
  - 5.5.1 in the case of a meeting called as the annual general meeting, by all members having the right to attend and vote thereat; and
  - 5.5.2 in the case of any other meeting, by such proportion of the members as is prescribed in the Act.
- 5.6 Every notice of meeting shall specify the place, the day and the hour of meeting, and the general nature of the business to be transacted. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution, as the case may be.
- 5.7 The accidental omission to give notice of any meeting to, or the non-receipt of the notice by, any person shall not invalidate any resolution passed, or proceedings had, at any meeting.

## 6. PROCEEDINGS AT GENERAL MEETINGS

- 6.1 No business shall be transacted at a general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided a quorum shall be not less than whichever is the lesser of (a) one-quarter of all the persons who are at the commencement of the meeting members of the Company and are entitled to attend and vote at the meeting or (b) twenty of such persons present at the meeting in person or by proxy.
- 6.2 If within half an hour from the time appointed for the meeting a quorum is not present, the 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 at such other time and place as the chairman of the meeting may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present who are entitled to attend and vote at the meeting shall be a quorum.
- 6.3 The chairman of the Company shall preside at every general meeting as chairman if he be present and willing. If he is not present and willing to preside at the time fixed for the opening of the meeting, or within fifteen minutes thereafter the members present shall choose one of themselves to be chairman of the meeting.
- 6.4 The chairman of the meeting may, with the consent of any 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 the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 6.5 At any general meeting a resolution put to the vote shall be decided on a show of hands, unless a poll is duly (before or on the declaration of the result of the show of hands) demanded by at least two members present in person or by proxy, or by the chairman of the meeting, or by any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting and unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or lost or

carried or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company 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.

- 6.6 If a poll is duly demanded, it shall be taken in such manner and at such time as the chairman of the meeting directs, not being more than thirty days after the poll is demanded, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs. The demand for a poll may be withdrawn. The demand for a poll shall not prevent the continuance of a meeting for the transaction of business other than the question on which the poll has been demanded.
- 6.7 The chairman of the meeting shall not be entitled to vote at the meeting simply by virtue of his status as chairman, In addition, and in the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting at which the show of hands takes place or the poll is demanded shall not be entitled to a second or casting vote.
- 6.8 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken is announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 6.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting 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.
- 6.10 Subject to the terms of the Act, a resolution in writing executed by or on behalf of all the members for the time being of the Company entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held and may consist of several documents in the like form each executed by or on behalf of one or more members.
- 6.11 Proper minutes shall be kept of all proceedings of general meetings.



## 7. VOTES OF MEMBERS

- 7.1 Those members who have paid the appropriate annual subscription and who have been classified by the directors as voting members shall have one vote each, except in relation to the appointment or election of Full Members' Directors and the Associate Members' Director, the voting rights of members in respect of which shall be determined by the provisions of Articles 11.1 and 11.2 respectively.
- 7.2 A member shall not be entitled to vote at any general meeting unless all moneys presently owing to him and demanded by the Company have been paid.
- 7.3 On a poll votes may be given personally or by proxy and any instrument of proxy shall be in such form as the directors of the Company may require or in any other common or usual form. A proxy need not be a member of the Company.
- 7.4 No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 7.5 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney shall, not later than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, either:-
- (a) be deposited at the Office, or such other address as may be specified in the notice convening the meeting; or
  - (b) be sent by fax or electronic communication to such number or address as may be specified in the notice convening the meeting, provided such fax or electronic communication is actually received by the Company timeously.
- In default of the foregoing, the instrument of proxy shall not be treated as valid.
- 7.6. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, provided that no intimation in writing of the death or revocation shall have been received at the Office earlier than one hour before the time for holding the meeting.
- 7.7 Any corporation, firm, organisation, institution or foundation which is a member of the Company may by resolution of its directors or other governing body under the hand of one of its officers authorise such person as it thinks fit to act as its representative at any meeting of the Company. The person so authorised shall be

entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **8. NUMBER OF DIRECTORS**

- 8.1. Unless otherwise determined by ordinary resolution, the number of directors shall not be greater than fifteen, nor less than six.
- 8.2. If the number of directors shall at any time be or be reduced in number to less than the minimum numbers prescribed by or in accordance with these Articles it shall be lawful for the board of directors to act for the purpose (a) of assuming Co-opted Directors or (b) of summoning a general meeting to consider inter alia the filling of vacancies in the office of directors in accordance with Articles 11.5 and 11.6, or (c) of calling and conducting an election to fill the vacancies in the office of directors in accordance with Article 11.7 but not for any other purpose.

## **9. POWERS OF DIRECTORS**

- 9.1 Subject to the provisions of the Act, the memorandum of association and the Articles and to any directions given by special resolution of the members, 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 of association or the Articles 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. The powers given by this Article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 9.2 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.
- 9.3 All cheques and other negotiable instruments and all receipt for moneys paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any one or more of the board of directors or the Secretary (or any employee or other member of staff of the Company so authorised by a resolution of the board of Directors) in such manner as the directors shall from time to time determine

## **10. DELEGATION OF DIRECTORS' POWERS**

- 10.1 The directors may delegate any of their powers to any committee consisting of two or more directors or other persons. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

## **11. APPOINTMENT OF DIRECTORS**

- 11.1 The Company by an election held in accordance with Article 11.7 or by ordinary resolution may from time to time appoint as Full Members' Directors up to nine persons who are willing to act, provided that only Full Members shall be entitled to vote in such an election or on such a resolution. Such a resolution may be passed by a simple majority of those Full Members who have paid the relevant annual subscription and are present in person or by proxy at the relevant meeting, each such Full Member having one vote.
- 11.2 The Company by an election held in accordance with Article 11.7 or by ordinary resolution may from time to time appoint as the Associate Members' Director a person who is willing to act, provided that only Associate Members shall be entitled to vote in such an election or on such a resolution. Such a resolution may be passed by a simple majority of those Associate Members who have paid the relevant annual subscription and are present in person or by proxy at the relevant meeting, each such Associate Member having one vote.
- 11.3 The Company by ordinary resolution or the directors may from time to time appoint as a Co-opted Director, either to fill a vacancy in the Co-opted Directors or as additional Co-opted Directors, an aggregate maximum five persons who are willing to act, provided that:-
- 11.3.1 no such appointment causes the number of directors to exceed any number fixed in accordance with the Articles as the maximum number of directors; and
- 11.3.2 any Co-opted Director appointed under this Article 11.3 to fill a vacancy shall (subject to Article 12) hold office for the unexpired portion of the period of office of the director whose vacancy in office he is filling.

- 11.4 The appointment of any director appointed by the board of directors under Article 11.3 shall be subject to the approval of the members of the Company at the next following general meeting of the Company.
- 11.5 Any vacancy in the office of Full Members' Director or Associate Members' Director shall:-
- 11.5.1 if the term of office of the relevant outgoing director shall have at the date of his appointment coming to an end less than 6 months to run, remain vacant until such vacancy is filled at the next general meeting of the Company; and
- 11.5.2 if the term of office of the relevant outgoing director shall have at the date of his appointment coming to an end 6 months or more to run, be filled in accordance with Article 11.6.
- 11.6 Any vacancy referred to in Article 11.5.2 may be filled by the Company by ordinary resolution to appoint a person willing to act or by a bye-election held in accordance with Article 11.7, provided that:-
- 11.6.1 only Full Members qualified to vote in accordance with Article 11.1 shall be entitled to vote on such a resolution or in such a bye-election to appoint a Full Members' Director;
- 11.6.2 only Associate Members qualified to vote in accordance with Article 11.2 shall be entitled to vote on such a resolution or in such a bye-election to appoint an Associate Members' Director; and
- 11.6.3 any Full Members' Director or Associate Members' Director appointed under this Article 11.6 shall (subject to Article 12) hold office for the unexpired portion of the period of office of the director whose vacancy in office he is filling.
- 11.7 Any election or bye-election referred to in Articles 11.1, 11.2 or 11.6 shall be conducted as follows:-
- 11.7.1 the Returning Officer shall appoint a time and date for the election to be held (the "Election Date") and give the members no fewer than twenty-eight (28) days' prior notice thereof, such notice to include a call for nominations of candidates for election to be submitted by the members;
- 11.7.2 any two members may nominate a person to be a candidate for election, provided that:-

- 11.7.2.1 they shall complete and submit to the Returning Officer no fewer than 14 days prior to the Election Date the nomination form circulated by the Returning Officer to the members for that purpose;
  - 11.7.2.2 the proposed candidate shall indicate to the Returning Officer his willingness to participate in the election; and
  - 11.7.2.3 only Full Members qualified to vote in accordance with Article 11.1 may nominate candidates for election to the office of Full Members' Director and only Associate Members qualified to vote in accordance with Article 11.2 may nominate candidates for election to the office of Associate Members' Director;
- 11.7.3 in the event that the number of properly nominated candidates eligible for election to a particular office is equal to or less than the number of vacancies in that office, all such candidates shall be declared duly elected on the Election Date without the need for a vote of the members;
- 11.7.4 no fewer than 10 days prior to the Election Date the Returning Officer shall circulate (by post, fax or electronic communication) to those members eligible to vote in the election ballot papers showing the names of the candidates together with such reasonable supporting personal statements not exceeding 500 words as may be submitted by the candidates along with their nomination form;
- 11.7.5 each member eligible to vote shall have one vote for each vacancy in respect of which he is eligible to vote;
- 11.7.6 members shall no fewer than 48 hours prior to the Election Date communicate to the Returning Officer (by post, fax or electronic communication) and in the form specified by the Returning Officer on the ballot papers (or with the ballot papers when circulated) which of the candidates are their preferred candidates, provided that no member may cast more than one vote for any particular candidate;
- 11.7.7 on the Election Date, the candidate with the greatest number of votes shall be elected, followed by the candidate with the next greatest number of votes and so on until all the offices in respect of which the election is being held are filled;

- 11.7.8 in the event of a tie in the number of votes between any two or more candidates, the candidate to be elected shall be selected by lot from among those tied;
- 11.7.9 in the event of there being any ambiguity or doubt as to which of the candidates a member has voted for, the matter shall be referred to the Secretary whose ruling shall be final; and
- 11.7.10 no more than five days after the Election Date, the Returning Officer shall notify the members (by post, fax or electronic communication) of the results of the election and the names of the successful candidates.
- 11.8 The Returning Officer for each election or bye-election (as the case may be) shall be a person appointed by the directors for that purpose, and may be the Secretary or a member of staff of the Company. If also a member of the Company, the Returning Officer shall not be eligible to be a candidate nor to nominate another person to be a candidate in any election in which he is acting as Returning Officer.
- 11.9 If following an election held in accordance with Article 11.7 a successful candidate for the office of director is shown within 30 days of the Election Date to the satisfaction of the directors to be disqualified for that office, or has by 30 days after the Election Date failed to signify in accordance with the Act his willingness to act as a director, his election shall be treated as null and void. In such circumstances, the votes of the members shall be recounted in accordance with Article 11.7.7, but discounting any votes cast for the foregoing candidate.
- 11.10 The Company and the directors shall exercise their powers of appointment and removal of the Co-opted Directors so as to ensure that the board of directors of the Company is constituted such that there is maintained representation from a range of renewable technologies.
- 12. DISQUALIFICATION, RETIREMENT AND REMOVAL OF DIRECTORS**
- 12.1 The office of a director shall be vacated if:-
- 12.1.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- 12.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 12.1.3 he is, or may be, suffering from mental disorder and either:-

- 12.1.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland, an application for admission or detention under the Mental Health (Care and Treatment) (Scotland) Act 2003; or
  - 12.1.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of an attorney, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - 12.1.4 he resigns his office by notice to the Company; or
  - 12.1.5 he shall for more than 6 consecutive months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve by majority that his office be vacated.
- 12.2 The term of office of a director shall (subject to Articles 12.1 and 12.3) end:-
- 12.2.1 if he was appointed or elected as a Full Members' Director, Associate Members' Director or as an additional Co-opted Director under Articles 11.1, 11.2 or 11.3, at the commencement of the next general meeting of the Company following the third anniversary of the commencement of his appointment;
  - 12.2.2 if he was appointed or elected under Article 11.3 to fill a vacancy, on the date specified by Article 11.3.2;
  - 12.2.3 if he was appointed or elected under Articles 11.5 and 11.6 to fill a vacancy, on the date specified by Article 11.6.3;
- provided that any director whose term of office ends in accordance with this Article 12.2 shall be eligible for immediate re-election or re-appointment.
- 12.3 In addition to and without prejudice to the provisions of section 303 of the Act, the Company may by ordinary resolution remove any director and may by an ordinary resolution appoint another director in his stead, but any person so appointed shall retain his office so long only as the director in whose place he is appointed would have held the same if he had not been removed.
- 13. TRANSITIONAL ARRANGEMENTS**
- 13.1 This Article 13 shall have effect for the period from the adoption of these Articles ("Adoption Date") until the close of the third annual general meeting of the Company following the Adoption Date (the "Transition Period").

- 13.2 This Article 13 shall during the Transition Period only take precedence over the remainder of these Articles.
- 13.3 Within 7 days after the annual general meeting of the Company held on the Adoption Date, the directors of the Company then in office shall agree between them that no fewer than five of their number (or if they number fewer than five, all of them) shall demit office, and three Full Members' Directors and the Associate Members' Director shall be elected in accordance with Articles 11.1 and 11.2 respectively such election to take place no more than 42 days after the Adoption Date.
- 13.4 No fewer than 42 days prior to the next annual general meeting of the Company following the Adoption Date (the "2007 AGM"), the directors of the Company then in office and appointed prior to the Adoption Date shall agree between them that no fewer than five of their number (or if they number fewer than five, all of them) shall demit office, and three Full Members' Directors shall be elected in accordance with Article 11.1 such election to take place prior to the 2007 AGM.
- 13.5 No fewer than 42 days prior to the second annual general meeting of the Company following the Adoption Date (the "2008 AGM"), the directors of the Company then in office and appointed prior to the Adoption Date shall agree between them that no fewer than four of their number (or if they number fewer than four, all of them) shall demit office, and three Full Members' Directors shall be elected in accordance with Article 11.1 such election to take place prior to the 2008 AGM.
- 13.6 In the event of the failure of the directors eligible for compulsory demission of office under Articles 13.3 to 13.5 to agree which of them shall demit office, the directors who shall demit office shall be selected by lot from among those eligible and those selected shall be deemed to have resigned at the commencement of the relevant annual general meeting.

#### **14. REMUNERATION OF DIRECTORS**

- 14.1 The directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
- 14.2 The directors may be paid all expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or otherwise in connection with the discharge of their duties.



## 15. PROCEEDINGS OF DIRECTORS

- 15.1 Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the Secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote.
- 15.2 Seven clear days' notice, at least shall be given to the directors of a meeting of the board of directors of the Company. The notice shall specify the place, the day and the hour of the meeting, and shall contain an agenda of the business to be discussed at the meeting.
- 15.3 If any director is unable to attend a meeting of the board of directors he should advise the Chairman, or, whom failing, any of the directors who are to attend. The director who is unable to attend may also communicate his views on any of the issues on the agenda for the meeting to the Chairman or, whom failing, any other director who is to attend the meeting. The Chairman or other director (as the case may be) shall bring the views of the absentee director to the attention of the meeting together with an apology for the absence of the absentee director.
- 15.4 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three.
- 15.5 The directors may appoint one of their number to be the Chairman and may at any time remove him from that office. Unless he is unwilling to do so, the Chairman so appointed shall preside at every meeting of directors at which he is present. If there is no director holding the office of Chairman, or if the director holding it is unwilling to preside or is not present within 5 minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
- 15.6 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director 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.

15.7 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors as (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.

15.8 All acts bona fide done by the board of directors of the Company or any committee of the board of directors shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such director or person acting as aforesaid, or that he or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a director of the Company.

16. **DIRECTORS' INTERESTS**

16.1 Provided that he shall have first disclosed the nature of his interest in accordance with section 317 of the Companies Act 1985, to the meeting, 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 or duty whatsoever, and if he shall vote on any such resolution having declared his interest 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.

17. **BORROWING POWERS**

17.1 Without prejudice to their general powers, the directors may exercise all the powers of the Company to borrow money up to a limit of £30,000, and to mortgage and charge its undertaking and property or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or other obligation of the Company or of any third party, subject to the foregoing limitation. The directors shall not exceed this limitation without the previous sanction of the members of the Company in general meeting.

18. **SECRETARY**

18.1 Subject to the provisions of the Act, the Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit;

and any secretary so appointed may be removed by them and for the avoidance of doubt the office of Secretary may be held by a director.

## **19. ACCOUNTS**

19.1 The directors shall cause to be kept such books of account as are necessary to exhibit and explain the transactions and financial position of the Company and to give a true and fair view of the state of its affairs and in particular (but without limiting the generality of the foregoing provision) proper books of account with respect to:-

19.1.1 all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;

19.1.2 all sales and purchases of goods by the Company; and

19.1.3 the assets and liabilities of the Company.

19.2 The books of account shall be kept at the Office or, at such other place or places as the directors think fit, and shall always be open to the inspection of the members of the Company.

19.3 The directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such income and expenditure accounts, balance sheets and reports as are referred to in the Act.

19.4 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the report of the Auditors, shall not less than twenty one days before the date of the meeting be sent to all persons entitled to receive notice of general meetings of the Company.

## **20. NOTICES**

20.1 Any notice may be served by the Company on any member either (a) personally or (b) by sending it through the post in a prepaid letter, addressed to such person at his registered address as appearing in the register of members or (c) by sending it by fax to the fax number of the member last known to the Company or (d) by sending it by electronic communication to the electronic address last specified by the member to the Company for that purpose.

20.2 Any person described in the register of members by an address not within the United Kingdom, who shall from time to time give to the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but save as aforesaid, only members

described in the register or list aforesaid by an address within the United Kingdom shall be entitled to receive any notice from the Company.

- 20.3 Any notice served by post shall be deemed to have been served on the day following that on which the letter containing the same was put into the post office, and in proving such service it shall be sufficient to show that the letter containing the same was properly addressed and put into the post as a prepaid letter.
- 20.4 Any notice served by fax shall (if sent prior to 3pm) be deemed to have been served on the day on which it was despatched and (if sent after 3pm) on the following day. In providing such service it shall be sufficient to show a record from the despatching fax machine of a successful connection and transmission to the receiving fax machine.
- 20.5 Any notice served by electronic communication shall be deemed to have been served at the expiration of 24 hours after the time it was sent. Proof that a notice contained in an electronic communication was sent in accordance with the guidelines issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

## **21. INDEMNITY**

- 21.1 Subject to the provision of Section 310 of the Act any officers of the Company or directors shall be:-
- 21.1.1 chargeable only for so much money or property as he shall actually receive for the Company; and
- 21.1.2 answerable only for his own acts or defaults and not for those of any other person or body, nor for any loss or damage of any kind which may happen in the execution of his duties.
- 21.2 Subject to the provisions of the Act, the directors may purchase and maintain insurance at the expense of the Company for the benefit of the directors or other officers or the Auditors against liability which attaches to them or loss or expenditure which they incur in relation to anything done or omitted or alleged to have been done or omitted as directors, officers or auditors.