

**THE COMPANIES ACT 1985 (AS AMENDED)**

**WRITTEN RESOLUTION**

of

**BLOCK HOLDINGS LIMITED**

**(the "Company")**



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Passed: 12 September 2003

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By written resolution passed by all of the members of the Company on the 12<sup>th</sup> day of September 2003 the subjoined resolutions numbered 1,2, and 4 were duly passed as special resolutions and the resolution numbered 3 was duly passed as an ordinary resolution:-

1. "That the authorised share capital of the Company be increased from £10,000 divided into 4,800 A Shares of £1 each, 4,800 B Shares of £1 each and 400 C Shares of £1 each to £24,800 divided into 11,904 A Shares of £1 each, 11,904 B Shares of £1 each and 992 C Shares of £1 each by the creation of 7,104 A Shares of £1 each, 7,104 B Shares of £1 each and 592 C Shares of £1 each, such shares having the rights and being subject to the conditions attached to them respectively by the Articles of Association to be adopted contemporaneously hereto.
2. That the Articles of Association in the form produced to the meeting and signed by the Chairman thereof for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.
3. That the directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (as amended) ("the Act") to allot and issue such number of relevant securities (as defined in that section) and on such terms and conditions as they may in their discretion think fit subject always to the following conditions and to the Articles of Association of the Company:-
  - 3.1.1 the maximum nominal amount of relevant securities to be allotted in pursuance of this authority shall be £14,800; and
  - 3.1.2 this authority shall expire, unless sooner revoked or altered by the Company in general meeting, on the fifth anniversary of the date hereof; and

3.1.3 all other authorities conferred on the directors prior to the date of passing of this resolution to allot relevant securities are hereby revoked.

4. That pursuant to Resolution number 3 and Section 95(1) of the Act, Section 89(1) of the Act shall not apply to any allotment of shares in the capital of the Company.”

  
Secretary

EDINBURGH

OUR REF SXH/GECS/GLO.6.13/KG

DATE 12 September 2003

*W.D.M.*

Articles of association  
of  
Block Holdings Limited

Maclay Murray  Spens  
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THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

BLOCK HOLDINGS LIMITED

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(adopted by special resolution passed on **12** September 2003)

1. Preliminary

- 1.1 The Company is established as a private company within the meaning of section 1(3) of the Act (as hereinafter defined) in accordance with and subject to the provisions of the Act and of the Memorandum of the Company and of 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 A being hereinafter called "Table A") with the exception of Regulations 5, 24, 25, 33, 38, 50, 64 to 66 inclusive, 73 to 78 inclusive, 80, 87, 94 to 96 inclusive and 118 of Table A and of any other Regulations which are inconsistent with the additions and modifications hereinafter set out.
- 1.2 The following Regulations shall be modified as follows:
- 1.2.1 Regulation 6 by the deletion of the words "sealed with the seal" and the substitution of the words "executed in terms of section 36B of the Act";
- 1.2.2 Regulation 32 by the addition to the original paragraph (b) of the words "but so that any such consolidation and/or division shall not result in any member becoming entitled to fractions of a share";
- 1.2.3 Regulation 46 by the deletion of paragraphs (a) to (d) inclusive and the substitution of the words "by the chairman or by any person present entitled to vote upon the business to be transacted;";
- 1.2.4 Regulation 67 by the deletion of the words from "but" where it first appears on line 2 thereof until the end;
- 1.2.5 Regulation 79 by the deletion of the second and third sentences;
- 1.2.6 Regulation 82 by the addition of the words "by way of Directors' fees" shall be inserted between the words "remuneration" and "as"; and

- 1.2.7 Regulation 84 by the addition of the words “Unless the contrary shall be provided in the terms of his appointment” at the beginning of the third sentence and the deletion of the fourth sentence.
- 1.3 In these Articles the expression 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 any statutory modification or re-enactment of that provision for the time being in force.
- 1.4 In these Articles the expressions “subsidiary” and “holding company” shall have the meanings ascribed thereto in section 736 of the Act.

## 2. Share capital

The authorised share capital of the Company as at the date of adoption of these Articles is £24,800 divided into 24,800 ordinary shares of £1 each.

## 3. Allotment of shares

- 3.1 All unissued shares or any other relevant securities in the Company shall be at the disposal of the directors and, provided that if and so long as any company is for the time being the holding company of the Company (hereinafter referred to as the “Parent Company”) the prior consent in writing of the Parent Company has been obtained, the directors may offer, allot (with or without conferring a right of remuneration), grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit provided that (in so far as the Company shall not have varied, renewed or revoked the said authority) the directors shall not be authorised to make any offer or allotment of shares in the Company, (or grant any right to subscribe for or to convert any securities into shares in the Company) if such allotment (or an allotment in pursuance of such offer or right) would or might result in the aggregate of the relevant securities in issue exceeding (in nominal value) the amount of the authorised share capital of the Company for the time being and such limitation shall determine the maximum amount of the relevant securities which at any time remain to be allotted by the directors under this Article 3.1.
- 3.2 The period within which such authority may be exercised shall be limited to five years, commencing upon the date of the adoption of these Articles.
- 3.3 Any shares in the Company for the time being unissued shall, before they are issued, be offered to the members in proportion to their existing holdings of shares as nearly as the circumstances admit. Such offer shall be made by notice specifying the number of shares offered and limited to a time after which the offer, if not accepted, will be deemed to be declined. After the expiration of such time or, if earlier, on the receipt of a notice from the person to whom the offer has been made that he declines to accept the shares offered, the directors may subject to these Articles dispose of the same in such manner as they think most beneficial to the Company.
- 3.4 In accordance with section 91 (1) of the Act, sections 89 (1) and 90 (1) to (6) inclusive of the Act shall be excluded from applying to allotments by the Company of equity securities (as defined in section 94 of the Act).

4. Transfer of shares

The directors may in their absolute discretion and without assigning any reason decline to register any transfer of any share whether or not it is fully paid. If and so long as the Company has for the time being a Parent Company, the prior written consent of the Parent Company to any transfer of any share shall be required.

5. Notice of general meetings

5.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one days' notice. All other extraordinary general meetings shall be called by at least fourteen days' notice but a general meeting may be called by shorter notice if it is so agreed:

5.1.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

5.1.2 in case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

5.2 Such agreement must be signed by the requisite percentage of members specified above, which consent and signature may be evidenced by letter, electronic mail, facsimile, or otherwise in writing and may consist of several documents in the like form consented to and signed by one or more members as the directors may from time to time resolve to permit. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

5.3 Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death, bankruptcy or insolvency of a member and to the directors and auditors of the Company.

6. General meetings

6.1 If and so long as the Company has for the time being a Parent Company, the Parent Company's authorised representative shall constitute a quorum and Regulation 40 of Table A shall be modified accordingly.

6.2 If the Company shall have only one member, these Articles shall (in the absence of an express provision to the contrary) apply with such modification as may be necessary and in particular:

6.2.1 one member present in person or by proxy shall be a quorum; and

6.2.2 a proxy for such member shall be entitled to vote on a show of hands and regulation 54 of Table A shall be modified accordingly.

- 6.3 Subject to the provisions of the Articles, a member may participate in a meeting of the Company by means of conference telephone or similar communications equipment whereby all the members participating in the meeting can hear each other, and the members participating in a meeting in this manner shall be deemed to be present in person at such a meeting.
- 6.4 *A resolution in writing which has been consented to and signed by or on behalf of all the members who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present (which consent and signature may be evidenced by letter, electronic mail, facsimile, or otherwise in writing as the directors may from time to time resolve to permit) shall be as effective as a resolution passed at a meeting of members duly convened and held and may consist of several documents in the same terms each consented to by one or more members.*
7. Directors
- 7.1 The number of directors (other than alternate directors) shall not be less than two nor more than six. No person shall be ineligible for appointment as a director by reason of his having attained any particular age.
- 7.2 If and for so long as the Company has for the time being a Parent Company the holder of a majority in nominal value of the A Shares in the Parent Company from time to time shall be entitled to appoint two persons to be directors of the Company (any such directors so appointed being called "A Directors") and the holder of a majority in nominal value of the B Shares in the Parent Company from time to time shall be entitled to appoint two persons to be directors of the Company (any such directors so appointed being called "B Directors") and the holder of a majority in nominal value of the C Shares in the Parent Company from time to time shall be entitled to appoint one person to be a director of the Company (any such director so appointed being called the "C Director"), save to the extent that the Parent Company (and all the members thereof) otherwise agree. Any appointment or removal of such directors shall be effected by instrument in writing signed on behalf of the shareholders who appointed such director and shall be effective forthwith upon the receipt of such instrument at the registered office of the Company. Regulation 79 shall not apply.
- 7.3 If the Company does not have a Parent Company:
- 7.3.1 Regulation 79 shall apply;
- 7.3.2 without prejudice to the powers of the directors under Regulation 79, a member or members holding more than half in nominal amount of the issued share capital of the Company shall have power to appoint any person or persons as a director or directors, either as an addition to the existing directors or to fill any vacancy, and to remove from office any director howsoever appointed; and
- 7.3.3 any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or by their duly appointed attorney or attorneys (or, in the case of a member which is a body corporate, by a director of it or by a duly appointed representative). Any such instrument may consist of several documents in the like form each signed or approved by one or more of the members or their attorneys (or, in



the case of a member which is a body corporate, by a director of it or by a duly appointed representative) and shall take effect upon delivery to the registered office of the Company.

7.4 *No director shall be required to retire by rotation.*

#### 8. Disqualification of directors

The office of a director shall be vacated in any of the following events:

- 8.1 if he resigns his office by notice in writing to the Company; or
- 8.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 8.3 if he is admitted to hospital in pursuance of an application for his admission under either the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984 or 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 a receiver, *curator bonis* or other person to exercise power with respect to his property or affairs; or
- 8.4 if 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
- 8.5 if he is absent from meetings of the Board for six successive months without leave and his alternate director (if any) shall not during such period have attended in his stead and the directors resolve that his office be vacated; or
- 8.6 if he shall be removed from office under the provisions of Articles 7.2 or 7.3.

#### 9. Proceedings of directors

- 9.1 The directors shall meet together for the dispatch of business at least once every quarter.
- 9.2 Unless otherwise agreed by each of the Directors, notice of meetings of the Board shall be provided to each of the Directors not less than seven working days prior to the date of the said meeting of the Board.
- 9.3 The quorum for the transaction of business of the Board or any committee of the Board shall be:
  - 9.3.1 if and for so long as the Company has a Parent Company, two directors, one of whom shall be an A Director and one of whom shall be a B Director; and
  - 9.3.2 if the Company does not have a Parent Company, two directors.
- 9.4 No business shall be transacted by the Board or any committee of the Board unless a quorum is present at the commencement of the relevant Board meeting and also when the business is voted on.

- 9.5 If a Board Meeting is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Directors present shall form a quorum.
- 9.6 Any director or his alternate may validly participate in a meeting of the Board or a committee of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting is.
- 9.7 The Chairman of the Board shall not have a second or casting vote at a meeting of the Board.
- 9.8 Each Director shall have one vote. Notwithstanding the foregoing, if and for so long as the Company has a Parent Company:
- 9.8.1 the A Directors shall be entitled at all times to exercise an aggregate of two votes, even if only one A Director is present at a meeting;
- 9.8.2 the B Directors shall be entitled at all times to exercise an aggregate of two votes, even if only one B Director is present at the meeting;
- 9.8.3 the C Director shall be entitled at all times to exercise an aggregate of one vote; and
- 9.8.4 any other director shall be entitled at all times to exercise and aggregate of one vote.
- 9.9 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract (within the meaning of section 317 of the Act) with the Company shall declare the nature of his interest at a meeting of the Board or of any committee of the Board in accordance with that section. Subject where applicable to such disclosure a director may vote at any such meeting on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Provided always that a director on any Remuneration Committee may not at a meeting of such Committee vote on any item concerning his own office, remuneration or benefits or in which he has a direct interest nor be counted in determining the quorum on such matter. Regulations 94 and 95 shall not apply.
- 9.10 Questions arising at any meeting of the Board or at any committee of the Board shall be decided by a majority of votes. Notwithstanding the foregoing, if and for so long as the Company has a Parent Company, if at any time at or before any meeting of the Board or of any committee of the Board any A Director, B Director or C Director should request that the meeting should be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to be present or for any other reason, which he need not state) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted or proceeded with at that meeting after such request has been made.

10. Alternate directors

- 10.1 Any director (other than an alternate director) may appoint any person (whether or not a director) to be an alternate director and may remove from office an alternate director appointed by him. In these Articles, where the context so permits, the term “A Director” or “B Director” or “C Director” shall include an alternate director appointed by an A Director or a B Director or a C Director as the case may be. A person may be appointed an alternate director by more than one director provided that each of his appointors represents the same class of shares but not otherwise
- 10.2 An alternate director shall, except as regards remuneration, be subject to the provisions of these presents with regard to directors and shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the directors and of all meetings of committees of directors of which his appointor is a member and to attend and vote as a director at any such meetings at which the director for whom he is alternate is not personally present and generally to exercise and discharge as a director all of the functions, powers and duties of the director for whom he is alternate in the absence of such director. Any director acting as alternate shall have an additional vote for each director for whom he acts as alternate. An alternate director shall ipso facto cease to be an alternate director if the director for whom he is alternate ceases for any reason to be a director.

11. Notices

- 11.1 Any notice to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 11.2 Any notice to be given pursuant to these Articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.
- 11.3 The words “unless the contrary is proved” shall be omitted from the second sentence of Regulation 115 and the figure “24” shall be inserted in substitution for the figure “48” in the second sentence of that Regulation. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

12. Indemnity

- 12.1 Subject to the provisions of the Act, but without prejudice to any other indemnity to which the person concerned may otherwise be entitled, every director, alternate director, auditor, manager, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all reasonable costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation thereto:
- 12.1.1 in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted; or

- 12.1.2 in connection with any application under s 144(2) or (3) of the Act (acquisition of shares by innocent nominee) or s 727 of the Act (general power to grant relief in case of honest and reasonable conduct) in which relief is granted to him by the court.

Regulation 118 shall be extended accordingly.

- 12.2 The directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against.