

## THE COMPANIES ACTS 1985 AND 1989

## PRIVATE COMPANY LIMITED BY SHARES

## ARTICLES OF ASSOCIATION

(altered by Written Resolution dated Monday 23<sup>rd</sup> August 2004)

## TRANSPORT INITIATIVES EDINBURGH LIMITED

PRELIMINARY

1. Subject to the provisions hereinafter contained, 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 ("Table A") so far as not excluded altered or modified by or inconsistent with the following Articles shall apply to the Company and be deemed to be incorporated herein.
2. Regulations 24, 64, 73 to 80 inclusive, 82, 89, 94, 95 and 118 of Table A shall not apply to the Company and the following Regulations thereof shall be modified:-

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";

Regulation 40 by the addition at the end of the second sentence of the words "provided that if the Company shall have only one member, one member present in person or by proxy shall be a quorum";

Regulation 54 by the addition of the words "or by proxy" between the words "vote" and "shall";

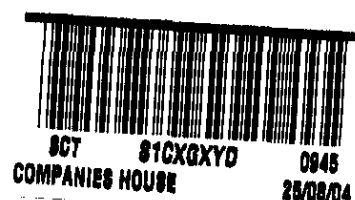
Regulation 66 by the addition of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)" between the words "shall" and "be";

Regulations 72 by the addition of the words "Any committee shall have power, unless the Directors direct otherwise, to co-opt as a member or members of the committee for any specific purpose any person, or persons, not being a Director of the Company.";

Regulation 85(c) by the addition of the words "subject to the terms of any contract of employment between the Company and the Director," between the words "shall" and "not"; and

Unless otherwise required by the context of the Articles, words or expressions which are defined in Table A shall have the same meaning in the Articles.

Unless otherwise required by the context of the Articles, words importing the singular only shall include the plural and vice versa; words importing any gender shall include the other gender; and words importing natural persons shall include corporations and vice versa.



### PRIVATE COMPANY

3. The Company is a private company and accordingly no invitation shall be made to the public to subscribe for any shares or debentures of the Company.

### SHARE CAPITAL

4. The Directors are generally and unconditionally authorised to allot relevant securities (within the meaning of section 80(2) of the Act) on such terms and at such time or times as they may in their discretion think fit; provided that:-
  - (a) the maximum nominal amount or relevant securities to be allotted in pursuance of such authority shall be the aggregate nominal amount of the unissued shares in the capital of the Company from time to time while this authority is in force; and
  - (b) this authority shall expire, unless sooner revoked or altered by the Company in general meeting, on the expiry of the period of five years from the date of the passing of the resolution by virtue of which this Article was adopted as part of the Articles provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
5. Section 89(1) of the Act shall not apply to any allotment of shares in the Company.

### PROCEEDINGS AT GENERAL MEETINGS

6. In the case of a corporation, the signature of a director or the secretary thereof, and in the case of joint holders of a share the signature of any one of such joint holders, shall be sufficient for the purposes of passing resolutions in writing pursuant to regulation 53 of Table A.
7. In the case of a corporation, the director or the secretary thereof shall be deemed to be a duly authorised representative for the purpose of section 375 of the Act.

### POWERS OF DIRECTORS

8. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner as they think fit, including the exercise thereof in favour of any resolution appointing them or any of their number directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.

### PROCEEDINGS OF DIRECTORS

9. The quorum for the transaction of the business of the Company shall be three Directors.
10. A Director may as a Director vote and be counted as one of a quorum upon a motion in respect of any contract, matter or arrangement which he shall make with the Company or in which he shall be in any way interested provided that he shall first have disclosed the nature of his interest to the Directors.

### DIRECTORS

11. Unless otherwise determined by special resolution, the maximum number of Directors shall be seven and the minimum shall be not less than two. The first Directors of the Company

shall be the persons named in the Statement of First Directors filed with the Registrar of Companies pursuant to Section 10 of the Act.

12. Any Director or a member of a committee of the Directors, may participate in a meeting of the Directors, or such committee, by means of conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute a presence in person at such meeting.

#### APPOINTMENT AND REMOVAL OF DIRECTORS

13. The City of Edinburgh Council as constituted from time to time (in these Articles called the "Council") may appoint any person to be a Director or remove any Director from office at any time. Any appointment may be on such conditions and terms of office as the Council thinks fit. Every appointment or removal shall be by notice in writing and signed on behalf of the Council and shall take effect upon receipt of said notice at the registered office of the Company or by the Secretary. Directors may only be appointed pursuant to the provisions of this Article.
14. The number of Directors shall be not less than two and shall not exceed a total of seven constituted by a maximum of four Directors and three Council Directors.
15. Regulation 81 of Table A shall be deemed extended by the addition of a further paragraph (f):

“(f) he shall be removed pursuant to any power of removal contained in Articles 13 and 17 of the Company’s Articles of Association”.
16. A Director shall not be required to hold any share of the Company by way of qualification.

#### APPOINTMENT AND REMOVAL OF COUNCIL DIRECTORS

17. The Council shall be entitled by notice in writing delivered to the Company to appoint up to three persons as Directors of the Company (referred to in these Articles as Council Directors and Council Director shall be construed accordingly) (such appointments to be made either collectively or individually) and at any time by like notice to remove from office any Council Director so appointed by the Council and to appoint another person as a Council Director in the place of any Council Director so appointed who may be removed from office or who may die, resign or otherwise vacate office. Every appointment or removal of a Council Director by the Council made pursuant to this Article shall be effected by notice in writing and either (i) lodged at the registered office of the Company or (ii) delivered to a duly constituted meeting of the Directors of the Company (whether at the beginning or at any time during such meeting) and signed on behalf of the Council by an authorised officer of the Council or by an existing Council Director and shall take immediate effect as at the actual time of such lodgement or delivery or at such later time as shall be specified in the notice. Council Directors may only be appointed pursuant to the provisions of this Article.

#### APPOINTMENT OF CHAIRMAN

18. The Council shall be entitled by notice in writing delivered to the Company to appoint either one of the Directors or one of the Council Directors as the Chairman of the Board of Directors of the Company and at any time by like notice to remove from office the Chairman so appointed and to appoint another Director as the Chairman in his place. Every appointment or removal of the Chairman by the Council pursuant to this Article shall be effected by notice in writing either (i) lodged at the registered office of the Company or (ii) delivered to a duly constituted meeting of the Directors of the Company (whether at the beginning or at any time

during such meeting) and signed on behalf of the Council by an authorised officer of the Council or by the other Council Directors and shall take immediate effect as at the actual time of such lodgement or delivery or at such later time as shall be specified in the notice. The Chairman appointed as aforesaid shall preside at every meeting of the Directors at which he is present but if such Chairman is not present within five minutes after the time appointed for the meeting the Council Directors present shall nominate one of them to preside as Chairman and if only one Council Director is present or if no Council Director is present as the case may be then the meeting shall be dissolved. The Chairman shall have one vote only and no casting vote.

#### INDEMNITY

19. Subject to the provisions of the Act , every Director or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur:-
- (a) in defending any proceedings, whether civil or criminal in which decree is given in his favour or in which he is acquitted or which are otherwise disposed of without any findings or admission of any material breach of duty on his part; or
  - (b) in connection with any application under section 144(3) or (4) or section 727 of the Act in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.