

Companies Acts 1985

Private Company Limited by Shares

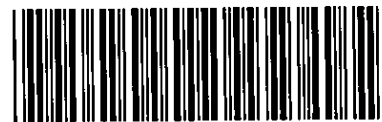
ARTICLES OF ASSOCIATION

SOVEREIGN HOUSE DEVELOPMENTS LIMITED

Company Number SC259897

Amended by special resolution passed on 13 October 2010

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Companies Acts 1985
Company Limited by Shares
ARTICLES OF ASSOCIATION
SOVEREIGN HOUSE DEVELOPMENTS LIMITED¹
As amended by special resolution passed on 13 October 2010

1. Preliminary

1.1 In these Articles:

- 1.1.1 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 and the Companies Act 1985 (Electronic Communications) Order 2000 (which Table is hereinafter referred to as "Table A") shall, except as hereinafter provided or so far as the same are not consistent with the provisions of these Articles, constitute the regulations of the Company;
- 1.1.2 regulations 2, 3, 17, 24, 39, 40, 41, 46, 50, 53, 58, 64 to 69 (inclusive), 72 to 81 (inclusive), 84, 87 to 91 (inclusive), 93 to 98 (inclusive), 112 and 115 of Table A shall not apply to the Company;
- 1.1.3 "Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
- 1.1.4 "Board" means the board of directors of the Company; and
- 1.1.5 "Business" means such business as the members of the Company shall have agreed shall be the business to be carried on by the Company from time to time;
- 1.1.6 "Mr Harkins" means James Doyle Harkins residing at 50 Lion Bank, Kirkintilloch G66 1PH;
- 1.1.7 "Mr McLachlan" means Colin Michael McLachlan residing at 85 Woodfield Avenue, Colinton, Edinburgh EH13 OQR; and
- 1.1.8 "Services Agreements" means:
 - (a) the service agreement in the agreed terms to be entered into between Mr McLachlan and the Company as thereafter amended from time to time; and
 - (b) the service agreement in the agreed terms to be entered into between Mr Harkins and the Company as thereafter amended from time to time,and the expression "Service Agreement" shall be construed accordingly.

1.2 For the purposes of these Articles, a person is "connected with" another person if they are connected with one another within the meaning of section 839 of the Income and Corporation Taxes Act 1988.

1.3 References to persons shall include natural persons, bodies corporate, unincorporated associations, partnerships, joint ventures, trusts or other entities or organisations of any kind, including (without limitation) government entities (or political subdivisions or agencies or instrumentalities thereof).

2. Share capital

2.1 The authorised share capital of the Company as at the date of the adoption of these Articles is £100 divided into 40 'A' shares of £1 each ("A Shares"), 40 'B' shares of £1 each ("B Shares"), 10 'C' shares of £1 each ("C Shares") and 10 'D' shares of £1 each ("D Shares").

¹ Conform to certificate of incorporation on change of name dated 30 July, the Company changed its name from WKMH Property Limited to Sovereign House Developments Limited.

The A Shares, the B Shares, the C Shares and the D Shares shall each constitute different classes of shares for the purposes of the Act, but, except as expressly provided in these Articles, the A Shares, the B Shares, the C Shares and the D Shares rank *pari passu* in all respects.

- 2.2 The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- 2.3 The share capital of the Company shall not be increased and no unissued shares may be allotted or issued unless with the consent in writing signed by or on behalf of all the members of the Company. Unless all of the members of the Company consent in writing otherwise, all new shares created on any increase of capital shall be created as A Shares of £1 each, B Shares of £1 each, C Shares of £1 each and D Shares of £1 each in the same proportion as the number of A Shares, B Shares, C Shares and D Shares existing at that time and the issue of any shares in the capital of the Company shall be made in such manner that the proportion of A Shares, B Shares, C Shares and D Shares in issue is the same afterwards as before, A Shares being issued only to the holders of A Shares, B Shares being issued only to the holders of B Shares, C Shares being issued only to the holders of C Shares and D Shares being issued only to the holders of D Shares.
- 2.4 Section 89(1) of the Act shall not apply to an allotment of any equity security where the consent of every shareholder to that allotment has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.
- 2.5 Subject to the provisions of these Articles and the Act, the Company may:
 - 2.5.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as the directors may at the time of issue determine; and
 - 2.5.2 to the extent permitted by section 171 of the Act, make a payment in respect of the redemption or purchase of any of its own shares (including any redeemable shares) otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.
- 2.6 Whenever the capital of the Company is divided into different classes of shares all provisions applicable to general meetings of the Company or to the proceedings thereat shall *mutatis mutandis* apply to any separate meeting of the holders of shares of any class except that:
 - 2.6.1 the necessary quorum shall be one person holding or representing by proxy at least one third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present the member or members present in person or by proxy shall be a quorum);
 - 2.6.2 any holder of shares of the class present in person or by proxy may demand a poll and each holder shall on a poll have one vote in respect of every share of the class held by it;
 - 2.6.3 the provisions of Article 2.8 shall apply in relation to any proposed variation of special rights attached to that class of shares.
- 2.7 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless, otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith provided that such further shares are issued equally in all respects to all then existing shares of that class.
- 2.8 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of all the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to each of the A Shares, the B Shares the C Shares and the D Shares shall be deemed to be varied if the Company:
 - 2.8.1 alters its memorandum of association or the Articles or its accounting reference date; or

- 2.8.2 issues any unissued shares or creates or issues any new shares in the Company or grants options over any of its shares or other securities; or
- 2.8.3 acquires, purchases, or subscribes for any shares, debentures, mortgages or securities (or any interest therein) in any company, trust or any body (except for the purpose of setting up a wholly owned subsidiary of the Company in furtherance of the Business); or
- 2.8.4 holds any meeting of the members or purports to transact any business at any such meeting unless there shall be present duly authorised representatives or proxies for each of the members; or
- 2.8.5 alters, increases, reduces or redeems the authorised or issued share capital of the Company; or
- 2.8.6 reorganises, consolidates, sub-divides or converts the shares for the time being in the capital of the Company or varies any of the rights attaching to any such shares; or
- 2.8.7 makes any political gift or charitable donation; or
- 2.8.8 gives any guarantee, indemnity or security in respect of the obligations of any other person (other than any of its wholly owned subsidiaries) or permits any such guarantee or indemnity or security to subsist or varies any such guarantee or indemnity or security or provides any credit (other than normal trade credit on commercially reasonable terms in the ordinary course of the Company's business or to any of its subsidiaries); or
- 2.8.9 pays any remuneration or expenses to any person (but not without the consent of all the members to any person who is a Director or an employee of any member) other than as proper remuneration for work done or services provided or as proper reimbursement for expenses incurred in connection with the Business or under the Services Agreements; or
- 2.8.10 alters any restriction on the powers of the directors to borrow, give guarantees or create charges; or
- 2.8.11 makes any application for a listing of any part of the share capital of the Company on the London Stock Exchange, the Alternative Investment Market or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or makes any arrangements for any other form of marketing or any of its share capital (including without limitation on any bourse or stock exchange other than the London Stock Exchange); or
- 2.8.12 makes any loan or advance (other than to any of its wholly owned subsidiaries); or
- 2.8.13 creates any mortgage or charge over any part of its undertaking, property or assets; or
- 2.8.14 incurs any expenditure or liability or otherwise approves or permits any expenditure or liability to be incurred in respect of the acquisition of any business or capital asset whatsoever of the Company or any of its subsidiaries of an aggregate amount in excess of £20,000 in any financial year; or
- 2.8.15 enters into any contract or arrangement of a long term nature other than in the ordinary course of business; or
- 2.8.16 appoints any committee of the Board to take any decisions which are material to the Company or any of its subsidiaries as a whole otherwise than at a meeting of the Board; or
- 2.8.17 establishes or varies the rules of any profit sharing, bonus or incentive scheme or any benefits scheme; or
- 2.8.18 sells the undertaking of the Company or any substantial part thereof or sells any fixed assets of the Company other than in the ordinary course of business; or

- 2.8.19 sells or otherwise disposes of any heritable or freehold or leasehold or commonhold property or any interest therein other than in the ordinary course of carrying on the Business; or
 - 2.8.20 disposes of any share in the capital of any subsidiary of the Company; or
 - 2.8.21 borrows any money or incurs any indebtedness in the nature of borrowing in addition to the indebtedness permitted by the Senior Facility Agreement; or
 - 2.8.22 commences legal proceedings except for the purposes of the recovery of debts owed to the Company in the ordinary course of business; or
 - 2.8.23 changes or permits a change in the general nature of or diversify the Business or the business of any of the subsidiaries of the Company; or
 - 2.8.24 takes any steps to have the Company wound up, whether for the purposes of amalgamation or reconstruction or otherwise unless a registered insolvency practitioner shall have advised that the Company requires to be wound up by reason of having become insolvent; or
 - 2.8.25 uses the name of Kilmartin or King; or
 - 2.8.26 recruits staff other than Mr McLachlan and Mr Harkins with salary/benefits greater than £30,000 per annum, per individual; or
 - 2.8.27 causes or permits any of the subsidiaries of the Company to do any of the things mentioned in article 2.8.1 to article 2.8.26 (inclusive) substituting reference to the Company with reference to that subsidiary.
- 2.9 Subject to section 97 of the Companies Act 1985, the Company shall be entitled to pay a commission of an amount determined by the Board from time to time to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company.

3. Lien

The lien conferred by regulation 8 of Table A shall also attach to fully paid up shares registered in the name of any person indebted or under liability to the Company whether it shall be the sole registered holder thereof or shall be one of two or more joint holders.

4. Transfer of shares

- 4.1 Save as otherwise provided in these Articles, no member may transfer any shares or any interest in shares without the written agreement of all of the other members.
- 4.2 Any member who wishes to transfer or otherwise dispose of shares or any interest in shares or any person who would otherwise be entitled to shares or an interest in shares on the death, insolvency, bankruptcy or winding-up of any member or the enforcement of any encumbrance or security interest granted by a member of the Company (the "Vendor") shall forthwith give (or otherwise shall be deemed to give upon the Company becoming aware of such death, insolvency, bankruptcy or winding-up or enforcement of any encumbrance or security interest) to the Company notice in writing in respect of such shares.
- 4.3 Any notice given or deemed to be given pursuant to Article 4.2 (a "Transfer Notice") shall be in respect of all the shares to which the Vendor would otherwise be entitled. Once a Transfer Notice has been given or is deemed to be given it may not be withdrawn.
- 4.4 Subject as hereinafter provided, a Transfer Notice given or deemed to have been given by the Vendor shall constitute the Company the Vendor's agent for the sale of the shares specified therein (hereinafter called "the Sale Shares") in one or more lots at the discretion of the directors to all members other than those to whose shares the Transfer Notice relates (the "Other Members"). The sale price of the Sale Shares (the "Sale Price") shall be the price agreed by the Vendor and the directors (as agent for the Other Members) or, if the Vendor and the directors are unable to agree a price within 14 days of the Transfer Notice being

given or if the Transfer Notice is a deemed Transfer Notice, the Fair Value of the Sale Shares determined in accordance with Article 4.5.

4.5.1 The Fair Value of any shares being transferred shall be the sum that a firm of independent chartered accountants nominated by the Vendor and the directors or, in the event of any failure to agree upon such nomination or if the Transfer Notice is a deemed Transfer Notice a firm of independent chartered accountants of international standing chosen on the application of the Vendor or the directors by the President for the time being of the Institute of Chartered Accountants of Scotland (or the corresponding officer in any successor body) shall determine and certify as the sum considered by it to be the Fair Value of such shares as at the date of the Transfer Notice calculated in accordance with Article 4.5.2.

4.5.2 The Accountants shall:

4.5.2.1 in determining the Fair Value of any shares being transferred at any time:

- (a) determine the sum which a willing buyer would offer to a willing seller for the entire issued share capital of the Company. The Accountant's may, at their discretion, seek the advice of a firm of independent chartered surveyors in connection with the valuation of the real property assets of the Company and shall have regard to the provisions of any shareholders' agreement among the members and the Company and any offer to purchase any of the share capital of the Company by any person which the Accountants believe, acting reasonably, to be a bona fide offer on arm's length terms;
- (b) divide the resultant figure from paragraph (a) above by the total number of Shares in issue; and
- (c) multiply the resultant figure from paragraph (b) above by the number of Shares being transferred.

4.5.2.2 act at the cost of the Company as experts and not as arbiters and their determination of the Fair Value (save in the case of manifest error) shall be final and binding for all purposes; and

4.5.2.3 prior to such determination take cognisance of any representations made by the Vendor and the directors to the Accountants as to the Fair Value which they shall be entitled to make within 14 days after the date of appointment.

4.6 Upon the Sale Price being fixed as aforesaid the Company as agent shall forthwith offer the Sale Shares to the Other Members pro rata as nearly as may be in proportion to the existing numbers of shares held by such Other Members giving details of the total number and the Sale Price of such Sale Shares.

The Company shall invite each of the Other Members as aforesaid to state in writing within twenty-one days from the date of the offer whether it is willing to purchase any of the Sale Shares so offered to it and if so the maximum number thereof which it is willing to purchase.

The Company shall at that time also enquire of each of the Other Members whether or not it is interested in acquiring Sale Shares in addition to those offered on a pro rata basis ("Additional Transfer Shares") and, if so, the maximum number of Additional Transfer Shares which it is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the Other Members have been offered as their pro rata share but have not so stated their willingness to purchase the Company shall offer such shares to such Other Members as have stated in writing their willingness to purchase the Additional Transfer Shares. Such Additional Transfer Shares shall be offered, in the case of competition, pro rata as nearly as may be in proportion to the number of shares then held by such Other Members which offer shall remain open for a further period of twenty-one days.

4.7 If the Company shall pursuant to the above provisions of this Article 4 find Other Members willing to purchase all of the Sale Shares the Company shall allocate such Sale Shares to and

amongst such Other Members in accordance with Article 4.6, provided that none of the Other Members shall be obliged to take more than the maximum number of shares specified by it. The Company shall forthwith give notice of such allocations (an "Allocation Notice") to the Vendor and to the persons to whom the Sale Shares have been allocated and shall specify in such notice the place and time (not being earlier than fourteen and not later than twenty eight days after the date of the Allocation Notice) at which the sale of the shares so allocated shall be completed. The Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares comprised in an Allocation Notice to the purchasers named therein at the Sale Price at the time and place therein specified. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise any director to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the register of members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

- 4.8 If the directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article, the Vendor shall at any time within six months after the close of the offer by the Company under Article 4.6 to the Other Members be at liberty to sell, transfer or dispose of such legal or beneficial interest in the Sale Shares or grant such mortgage, charge or other encumbrance or security interest over the same (as the case may be), provided that:
- (a) the Vendor shall not be entitled to sell, transfer or dispose of the same at a price less than the Sale Price;
 - (b) the Vendor shall not be entitled, save with the written consent of all the members of the Company, to sell, transfer or dispose of such legal or beneficial interest in some only of the Sale Shares; and
 - (c) the directors may refuse to register any transfer to any person of whom they shall not approve as a member of the Company (such approval not to be withheld without good reason in the interests of the Company) but not if that person was named as a potential transferee in the Transfer Notice.

5. Proceedings at general meetings

- 5.1 Any general meeting may be convened at or adjourned to more than one place. If a meeting or adjourned meeting is convened at or adjourned to more than one place, the notice of that meeting shall specify the place at which the chairman of the meeting shall preside (the "Specified Place") and the directors shall make arrangements for simultaneous attendance and participation at other places by members, provided that persons attending at any particular place shall be able to hear and be heard (whether by audio links or otherwise howsoever enabling the same) by persons attending at the other places at which the meeting is convened. For the purposes of these Articles, the meeting shall be treated as being held at the Specified Place.
- 5.2 No business shall be transacted at any meeting unless a quorum is present.
- 5.3 Three members present in person or by proxy (or, if a corporation, by representative) provided that one of whom is the holder of an A Share, one of whom is the holder of a B Share and one of whom is either the holder of a C Share or a D Share shall be a quorum for all purposes. If at any time the Company has less than three members then all the members of the Company at that time shall require to be present in person or by proxy to constitute a quorum. If a quorum is not present within one hour from the time notified to the members for the commencement of the meeting, the meeting shall stand adjourned to the same day in the following week at the same time and in the same location as the original meeting and the secretary shall give notice of such adjourned meeting to all members sent by recorded delivery post on the day following the date of the original general meeting or by personal delivery on the day following the date of the original meeting, detailing the time, date and location of the adjourned meeting and the general nature of the business to be transacted at the adjourned meeting. At the adjourned meeting if a quorum is not present within one hour from the time notified to the members for the commencement of the adjourned meeting, the

quorum for that meeting shall then be the person or persons attending that meeting in person or by proxy.

- 5.4 A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on a declaration of the result of the show of hands a poll is duly demanded.
- 5.5 A poll may be demanded by any member having the right to vote at the meeting.
- 5.6 A demand for a poll by a person as a proxy attorney or duly authorised representative for a member shall be the same as a demand by the member.
- 5.7 The chairman at any general meeting shall not be entitled to have a casting vote in addition to any other vote he may have.
- 5.8 A resolution in writing signed by or on behalf of all the members of the Company entitled to receive notice of and attend and vote at a general meeting or by their duly appointed proxies or attorneys:
 - 5.8.1 shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held;
 - 5.8.2 such resolution in writing may be contained in one document or in several documents in the same terms each signed by or on behalf of one or more of the members or their proxies or attorneys; and
 - 5.8.3 the signature in the case of a body corporate which is a member shall be sufficient if made by a director thereof or by its duly authorised representative.

6. Votes

- 6.1 Subject to any rights or restrictions attached to any shares and to the provisions of this Article, on a show of hands every member present by a representative duly authorised in accordance with the Act or by proxy shall have one vote, and on a poll every member shall have one vote for every A Share of which it is the holder, one vote for every B Share of which it is the holder, one vote for every C Shares of which it is the holder and one vote for every D Shares of which it is the holder.
- 6.2 The A Shares shall not confer the right to vote, either on a show of hands or on a poll, upon a resolution for the appointment or removal from office of any B Director (subject to Article 8.3), C Director or D Director (as all are defined in Article 8).
- 6.3 The B Shares shall not confer the right to vote, either on a show of hands or on a poll, upon a resolution for the appointment or removal from office of any A Director (subject to Article 8.3), C Director or D Director (as all are defined in Article 8).
- 6.4 The C Shares shall not confer the right to vote, either on a show of hands or on a poll, upon a resolution for the appointment or removal from office of any A Director, B Director or D Director or Joint Director where appointed (as all are defined in Article 8).
- 6.5 The D Shares shall not confer the right to vote, either on a show of hands or on a poll, upon a resolution for the appointment or removal from office of any A Director, B Director or C Director or Joint Director where appointed (as all are defined in Article 8).

7. Directors

- 7.1 The number of directors shall be determined by the Company in general meeting but unless and until so determined the minimum number of directors shall be one and the maximum number of directors shall be two A Directors, two B Directors, one C Director and one D Director.
- 7.2 A director or alternate director shall not require any share qualification but any director who is not a member of the Company shall nevertheless be entitled to receive notices of and attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.
- 7.3 A person may be appointed a director notwithstanding that he shall have attained the age of seventy years or any other age and no director shall be liable to vacate office by reason of his

attaining that or any other age nor shall special notice be required of any resolution appointing or approving the appointment of such director or any notice be required to state the age of the person to whom such resolution relates.

8. Appointment and removal of directors

- 8.1 Save as provided in Article 8.3, the holder or holders of a majority in nominal value of the A Shares as a class shall be entitled to appoint not more than two directors of the Company (each herein referred to as an "A Director") and to remove any such director and to make all necessary appointments to fill any vacancy howsoever and whensoever arising. Every such appointment or removal shall be effected by notice in writing deposited at the registered office of the Company signed by the holder or holders of a majority in nominal value of the A Shares.
- 8.2 Save as provided in Article 8.3, the holder or holders of a majority in nominal value of the B Shares as a class shall be entitled to appoint not more than two directors of the Company (each herein referred to as a "B Director") and to remove any such director and to make all necessary appointments to fill any vacancy howsoever and whensoever arising. Every such appointment or removal shall be effected by notice in writing deposited at the registered office of the Company signed by the holder or holders of a majority in nominal value of the B Shares.
- 8.3 If the holder or holders of a majority in nominal value of A Shares as a class also holds the majority in nominal value of B Shares as a class, such holder or holders shall be entitled to appoint one director of the Company who shall act both as an A Director and as a B Director (herein referred to as a "Joint Director") and to remove any such director and to make all necessary appointments to fill any vacancy howsoever and whensoever arising (and for the avoidance of doubt shall remove any such Joint Director (without prejudice to their rights under Articles 8.1 or 8.2 as the continuing holder of a majority of either the A Shares or B Shares, as appropriate), if the appointer of a Joint Director ceases to hold a majority in nominal value of A Shares and a majority in nominal value of B Shares). Every such appointment or removal shall be effected by notice in writing deposited at the registered office of the Company signed by the holder or holders of a majority in nominal value of each of the A Shares and the B Shares. For the avoidance of doubt should a Joint Director be appointed the holder or holders of a majority in nominal value of A Shares and the holder or holders of a majority in nominal value of B Shares shall not be entitled in addition to appoint an A Director or a B Director for so long as a Joint Director is appointed.
- 8.4 The holder or holders of a majority in nominal value of the C Shares as a class shall be entitled to appoint not more than one director of the Company (herein referred to as the "C Director") and to remove any such director and to make all necessary appointments to fill any vacancy howsoever and whensoever arising. Every such appointment or removal shall be effected by notice in writing deposited at the registered office of the Company signed by the holder or holders of a majority in nominal value of the C Shares.
- 8.5 The holder or holders of a majority in nominal value of the D Shares as a class shall be entitled to appoint not more than one director of the Company (herein referred to as the "D Director") and to remove any such director and to make all necessary appointments to fill any vacancy howsoever and whensoever arising. Every such appointment or removal shall be effected by notice in writing deposited at the registered office of the Company signed by the holder or holders of a majority in nominal value of the D Shares.
- 8.6 Save if a Joint Director is appointed, when the Joint Director shall be Chairman, the post of Chairman of the Board shall be held in alternate years (for successive periods of twelve months, the first such period commencing on the date of adoption of these Articles) by an A Director or a B Director appointed in rotation as follows:-
 - (a) in respect of the first period of twelve months, by the A Shareholders;
 - (b) in respect of the second period of twelve months, by the B Shareholders;
 - (c) and so on in accordance with the above order of rotation.

- 8.7 The Chairman shall not have any vote in respect of matters considered by the Board other than any vote which he has by virtue of being a Joint Director, an A Director or a B Director (as the case may be).
- 8.8 No director shall be required to retire by rotation.

9. Disqualification of directors

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

- 9.1 if he resigns his office by notice in writing to the Company; or
- 9.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 9.3 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
- 9.4 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
- 9.5 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
- 9.6 if he shall be removed from office under the provisions of Article 8.

10. Proceedings of directors

- 10.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit.
- 10.2 A director may and the secretary at the request of a director shall call a meeting of the directors.
- 10.3 Notice of every meeting of directors shall be given to each director and his alternate director (if one is appointed), including directors and alternate directors who are absent from the United Kingdom and have given the Company their addresses outside the United Kingdom. Directors who are absent from the United Kingdom shall be entitled to receive reasonable notice of every meeting. Notice of a meeting of directors or a committee of the Board shall not be required if all the directors or all the members of that committee are present at the meeting.
- 10.4 Without prejudice to Article 10.1, a meeting of the Board or of a committee of the Board may consist of a conference call between or among directors who are not all in one place, but who are able (directly or by telephone or other communication equipment) to speak to each other, and to be heard by each other simultaneously. A director taking part in such a conference shall be deemed to be present at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.
- 10.5 The quorum necessary for the transaction of the business of the directors shall be three, one of whom shall be an A Director, one of whom shall be a B Director and one of whom shall either be a C Director or a D Director save where a Joint Director is appointed when a quorum shall be two, one of whom shall be the Joint Director and one of whom shall be either a C Director or a D Director and save where the Company has only one director, when the sole director shall constitute a quorum. If a quorum is not present within one hour from the time notified to the directors for the commencement of the meeting, the meeting shall stand adjourned to the same day in the following week at the same time and in the same location as the original meeting and the secretary shall give notice of such adjourned meeting to all directors sent by recorded delivery on the day following the date of the original general

meeting or by personal delivery on the day following the date of the original meeting, detailing the time, date and location of the adjourned meeting and the general nature of the business to be transacted at the adjourned meeting. At the adjourned meeting if a quorum is not present within one hour from the time notified to the directors for the commencement of the adjourned meeting, the quorum for that meeting shall be the directors attending that adjourned meeting. An alternate director who is not himself a director may if his appointor is not present be counted towards the quorum.

- 10.6 A resolution of the Board shall not be validly passed and shall not be binding on the Company or its members unless it is carried by all of the directors present in person or by their respective alternate. The Chairman at any meeting of the directors shall not have a second or casting vote in addition to any other vote he may have save if a Joint Director is appointed, when the Joint Director at any meeting of the directors shall have a second and casting vote in addition to any other vote he may have.
- 10.7 A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 10.8 A resolution signed in writing 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 or (as the case may be) a committee of directors duly convened in the like form each signed by one or more directors but a resolution signed by an alternate director need not also be signed by his appointor and if it is signed by a director who has appointed an alternate director it need not be signed by the alternate director in that capacity.
- 10.9 A director who is in any way either directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company:
 - 10.9.1 shall declare the nature of his interest at a meeting of the directors in accordance with section 317 of the Act; and
 - 10.9.2 subject to such disclosure shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.

11. Alternate directors

- 11.1 Any director may at any time by writing under his hand and deposited at the office or delivered at a meeting of the directors appoint any person (including another director) to be his alternate director and may in like manner at any time terminate such appointment.
- 11.2 The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor ceases to be a director.
- 11.3 An alternate director shall be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (and not his appointor) were a director.
- 11.4 If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill- health or disability, the signature of an alternate director to any resolution in writing of the directors shall be as effective as the signature of his appointor.
- 11.5 To such extent as the directors may from time to time determine in relation to any committees of the directors the foregoing provisions of this Article 11 shall also apply mutatis mutandis to any meeting of such committee of which the appointor of an alternate director is a member.
- 11.6 An alternate director shall not (save as provided in this Article 11) have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles but he shall be an officer of the Company and shall not be deemed to be the agent of the director appointing him.

- 11.7 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

12. Executive committees

- 12.1 The directors, by unanimous resolution only, may delegate any of their powers or discretions to one or more committees consisting of three or more directors and any other such persons as the directors shall nominate. 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 altered by resolution of the directors. The directors shall, on demand by any one director, revoke any such delegation.
- 12.2 Subject to Article 12.1, the meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors so far as they are capable of applying, save that the quorum necessary for the transaction of the business of such committee shall be three, one of whom shall be an A Director, one of whom shall be a B Director and one of whom shall either be a C Director or a D Director unless a Joint Director is appointed in which case the quorum shall be two, one of whom shall be the Joint Director and one of whom shall be either a C Director or a D Director. For the avoidance of doubt, a resolution of such committee shall not be validly passed and shall not be binding unless it is carried unanimously.

13. Notices

- 13.1 Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by pre-paid registered post (air mail in the case of an address for service outside the United Kingdom) addressed to the member at his registered address or by fax to a number provided by the member for this purpose, or by electronic communication to an address provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned.
- 13.2 In the case of joint holders of a share, service or delivery of any notice or other document on or to the joint holder whose name stands first in the register of members shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 13.3 Any notice or other document if given personally shall be deemed served when delivered, if sent by registered post or electronic communication, shall be deemed to have been served or delivered 48 hours after posting to an address in the United Kingdom or five days after posting to an address outside the United Kingdom, and if sent by fax it shall be deemed served when despatched. In proving such service or delivery, it shall be sufficient to prove that the notice or document was delivered to the address given for notice, or properly addressed, stamped and put in the post or, in the case of a fax, that such fax was duly despatched to a current fax number of the addressee or, in the case of an electronic communication, that electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators.
- 13.4 Any requirement in these Articles or in Table A for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where a notice, resolution or other document is received with the signature of the relevant person reproduced thereon by means of facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within 14 days of receipt of the reproduction or, if such notice, resolution or other document is sent by means of electronic communication, that electronic communication incorporates, or is logically associated with, an electronic signature used to establish its authenticity and/or integrity.

14. Indemnity

- 14.1 Subject to the provisions of and so far as may be permitted by the Act, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred or sustained by him in the execution and discharge of his duties or otherwise in relation thereto. Regulation 118 of Table A shall be extended accordingly.
- 14.2 The directors shall have power to purchase and maintain for any director, secretary, auditor or other officer of the Company insurance against any such liability as is referred to in section 310(1) of the Act.