

- (1) NORTH GLASGOW HOUSING ASSOCIATION LIMITED
- (2) NORTH GLASGOW MANAGEMENT SERVICES LIMITED

INDEPENDENCE AGREEMENT



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THIS AGREEMENT

BETWEEN

- 1 North Glasgow Housing Association Limited registered under the Industrial and Provident Societies Act 1965 (Registered Number 1865 R(S)) and having their registered office at 50 Reidhouse Street, Glasgow, G22 4LS (the "Parent").
- 2 North Glasgow Management Services Limited incorporated under the Companies Acts (Registered Number SC251415) and having their registered office at 50 Reidhouse Street, Glasgow, G22 4LS (the "Subsidiary Company").

RECITAL

The purpose of this Agreement is to record the relationship between the Parent and the Subsidiary Company, the responsibility of the Parent for setting policies and strategies for the Group and controlling its operation, and the framework within which the Subsidiary Company is to operate. This framework is to include policies and standards in key areas, including equal opportunities and health and safety and an internal audit function in which the Subsidiary Company is to participate.

1 DEFINITIONS & INTERPRETATION

1.1 Definitions

In this Independence Agreement, unless the context otherwise requires:-

"Auditors"	means the auditors of the Subsidiary Company appointed in accordance with Group Policies.
"Board"	means the board of management (or equivalent body) of the Subsidiary Company or the Parent or, where the context requires, the persons present at a validly convened meeting of that Board or of a duly authorised committee of that Board at which a quorum is present.
"Board Member"	means a member of the Board.
"Business Day"	means a day (which is not a Saturday or Sunday) on which the Parent is open for business.
"Business Plan"	means the business plan of the Subsidiary Company to be agreed and updated from time to time in accordance with Clause 7.
"Committee"	means a committee of the Board.
"Competent Authority"	means in relation to an Industrial and Provident Society, the Financial Services Authority; in relation to a company the Registrar of Companies; The Scottish Housing Regulator or their successor body; and for a Scottish registered charity the Office of the Scottish Charity Regulator ("OSCR") and any other body with a statutory or regulatory authority over the Party or any person whose consent is required under any deed or agreement which is binding on the Subsidiary Company.
"Constitution"	means the Rules or Memorandum and Articles of Association of the Parent and the Subsidiary Company in the agreed form.
"Encumbrance"	means a standard security, charge, lien, pledge, assignation or other security interest or encumbrance of any kind or any other type of professional arrangement (including, without limitation, title transfer or

	retention of title) having similar effect.
"Event of Default"	means any of the events listed in Clause 10.
"Financial Year"	means any period for which annual audited accounts of the Subsidiary Company are drawn up.
"Group"	means the Parent and all its subsidiaries.
"Group Policies"	means those policies set in accordance with Clause 5.2.
"Group Status"	shall bear the meaning attributed to it in Clause 2.1.
"HAG"	means a grant payable under Section 2(2) of the Housing (Scotland) Act 1988 or any replacement or substitute grant payable under any other law applicable to Registered Social Landlords registered in Scotland.
"Material Adverse Effect"	means a material adverse effect on the Subsidiary Company 's business, assets or financial condition or on its ability to observe and perform its obligations under a Relationship Agreement or which could reasonably be expected, in the opinion of the Parent, to have a material adverse effect on the Group or the Subsidiary Company .
"Party"	means the Parent and the Subsidiary Company .
"Potential Event of Default"	means an event which may become an Event of Default with the passing of time or the giving of any notice or the making of any determination or the occurrence of any other event.
"Public Sector Grant"	means HAG or any other grant, loan or subsidy (whether taking the form of money or money's worth including, without limitation, land) provided by any public sector body which provides grant or subsidy from time to time.
"Relationship Agreement"	means, in relation to the Subsidiary Company , this Agreement and any Service Level Agreement entered into under it and any other material contract to which (in each case) the Subsidiary Company and the Parent are party.
"Registered Social Landlord"	means a person which is registered with The Scottish Housing Regulator or other successor body.
"The Scottish Housing Regulator"	means the Scottish Ministers acting through The Scottish Housing Regulator having its main office at Highlander House, 58 Bothwell Street, Glasgow or any body which is equivalent thereto or their successor body.
"Shareholder"	means in relation to the Subsidiary Company a shareholder or (in the case of a company limited by guarantee) a guarantor.
"Standing Orders"	means those standing orders approved by the Subsidiary Company in accordance with Clause 5.5.
"Strategic Objectives"	means the strategic objectives to be agreed, and amended from time to time, in accordance with Clause 5.1.
"Subsidiary"	shall bear the meaning set out in Section 28 of the Housing Associations Act 1985 and (a) if the Subsidiary Company is a company, Section 1159, Companies Act 2006 or, (b) if the Subsidiary Company is

an industrial and provident society, Section 15 of the Friendly and Industrial and Provident Societies Act 1968.

"VAT" means value added tax or any similar tax substituted for it from time to time.

1.2 Interpretation

- (a) **Statutory Provisions.** Reference in this Agreement to any provision of a statute or of secondary or subordinate legislation includes any amended or re-enacted version of that provision with effect from the date on which it comes into force.
- (b) **Construction.** Terms in this Agreement denoting the singular shall be deemed to include the plural and vice versa. All headings shall be ignored in construing this agreement
- (c) **Exhibits.** References to an Exhibit are to that document in a form initialled by or on behalf of the parties for the purpose of identification and exhibited to this Agreement.
- (d) **Obligations of Parties.** The obligations of the Parties are several. In particular any member of the Group with charitable status owe no obligations to any other member of the Group which do not have charitable status and similar charitable objects which would conflict with its charitable status.
- (e) **Months.** A "month" means a period starting on a day in a calendar month and ending on the numerically corresponding day in the next calendar month. Where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the next succeeding calendar month, in which case it shall end on the preceding Business Day. However, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which the period ends, that period shall end on the last Business Day in that later calendar month.
- (f) **Consent.** Consent includes an authorisation, approval, resolution, licence, exemption, filing and registration.
- (g) **Parties.** Reference to a party includes its successors or assignees.
- (h) **Documents.** A reference to this Agreement or another document is a reference to this agreement or document as amended, novated or supplemented.

2 GROUP STRUCTURE

2.1 **Subsidiary Company Status.** The Subsidiary Company is a Subsidiary of the Parent so that they are treated as a group ("Group Status"). Each Party agrees that it will use all reasonable endeavours and take such steps as may be required by any Competent Authority from time to time to maintain Group Status.

2.2 **Insolvency etc.** The Parent and the Subsidiary Company undertakes that unless and until any of the events set out in Clause 10 occurs, or, in relation to the Subsidiary Company, unless the Board of the Parent agrees otherwise the Parent and the Subsidiary Company shall not:-

2.2.1 requisition or join in any requisition of any general meeting of the Shareholders of the Subsidiary Company or the Parent convened for the purpose (with or without other purposes) of passing a resolution for the winding up of the Subsidiary Company or the Parent;

2.2.2 exercise any instrument of dissolution in respect of the Subsidiary Company or the Parent;

2.2.3 vote in favour of any resolution for the winding up of the Subsidiary Company or the Parent at any general meeting of the Subsidiary Company or the Parent;

provided that any such restriction on the Subsidiary Company in relation to the Parent shall not apply if any Competent Authority requires the Subsidiary Company to take this action.

2.3 **No loss of status.** Unless required by law, the Subsidiary Company shall not amend its constitution nor alter its status nor enter into any contract or arrangement with any third party nor do or permit to be done anything which (in each case) has or may have the effect of causing the Subsidiary Company to cease to be a Subsidiary Company of the Parent or could affect Group Status.

2.4 **Autonomy.** The Parent and the Subsidiary Company agree that except insofar as this Agreement requires otherwise, the business of the Subsidiary Company shall be carried on autonomously and independently of the Parent and shall be managed by the Board of the Subsidiary Company .

3 MEMBERS OF GROUP

3.1 **Obligations of Subsidiary Company.** The Subsidiary Company undertakes to the Parent that it will observe and perform all its obligations in this Agreement and shall act at all times in the best interests of the Group except to the extent required in order to comply with:-

3.1.1 the requirements of any Competent Authority.

but only to the extent that no Party is required to offer financial assistance to another.

4 APPOINTMENT OF BOARD AND SHAREHOLDERS

4.1 **Appointment of Board.** Except where the Parent exercises its control in terms of Clause 11 the Board of the Subsidiary Company shall give prior written notification to the Parent of those persons whom the Subsidiary Company would propose for appointment to the Board by the Parent. No appointment to the Board shall be made by the Subsidiary Company without the written approval of the Parent.

4.2 **Quorum.** The Subsidiary Company shall ensure at all times, other than where the Parent exercises its control in terms of Clause 11, that the Board shall be able to hold a quorate meeting comprising members who are not also Board Members of the Parent.

4.3 **Dealing in Shares.** The Subsidiary Company is prohibited from issuing, allotting or transferring or otherwise dealing in any way in its shares or share capital without the prior written approval of the Parent.

5 STRATEGIC OBJECTIVES, GROUP POLICIES AND STANDING ORDERS

5.1 **Group Strategic Objectives.** The Parent shall set Strategic Objectives. The Parent shall review and re-set the Strategic Objectives annually. The Parent will first consult with the Subsidiary Company before doing so.

5.2 **Group Policies.** The Parent shall set policies for the Group (including, without limitation, policies relating to health and safety and equal opportunities) (the "Group Policies") and shall review these periodically. In each case it shall first consult with the Subsidiary Company before doing so.

5.3 **Undertaking to Comply.** The Subsidiary Company undertakes to the Parent that it will comply with the Strategic Objectives and any Group Policies.

- 5.4 **Subsidiary Company's Policies.** The Subsidiary Company may set its own policies and objectives, subject to the prior written approval of the Parent and so long as no policies or objectives set by the Subsidiary Company and no standing orders adopted or amended by the Subsidiary Company may (in the opinion of the Parent) conflict with or be incompatible with the Strategic Objectives or with any Group Policy.
- 5.5 **Establishment and variation of Standing Orders.** Subject as set out above in this Clause 5, each Subsidiary Company shall be entitled to establish and vary its own standing orders to the extent these comply with good practice and take into account all Group Policies and Strategic Objectives (the "Standing Orders"). The Parent may from time to time require a Subsidiary Company to amend its standing orders so as to comply with the said Strategic Objectives and policies and/or with any standing orders set by the Parent for the Group.

6 SUBSIDIARY COMPANY BOARD PROCEDURES

- 6.1 **Subsidiary Company Board Papers.** The Subsidiary Company shall deliver to the Parent the agenda and minutes for all meetings of the Board or any Committee of that Subsidiary Company at the same time they are sent to its own Board Members.
- 6.2 **Parent Board Papers.** The Subsidiary Company shall, to the extent they relate to it, have the right to require delivery of any papers which are supplied to all the Parent's Board Members and to require any information which would be available to the Board Members of the Parent where (in each case) those papers or that information directly affect the Subsidiary Company provided that where such information or papers are required any reasonable requirements of the Parent for confidentiality or security can properly be met.
- 6.3 **Group Strategic Objectives and Policies.** The Parent shall deliver to the Subsidiary Company the Strategic Objectives and Group Policies as soon as they become available following any change to either of them.
- 6.4 **Standing Orders.** The Subsidiary Company shall deliver to the Parent its Standing Orders or any policies or objectives as soon as they are made or varied.

7 BUSINESS PLAN

- 7.1 **Preparation of Subsidiary Company Plan.** As soon as possible after execution of this Agreement, and thereafter not later than 10 weeks before the end of each Financial Year, the Board of the Subsidiary Company shall prepare and approve and deliver to the Parent a draft Business Plan prepared on a rolling basis for the coming Financial Year.
- 7.2 **Preparation of Parent Business Plan.** The senior management team of the Parent shall prepare a business plan for the Group. Copies shall be made available to the Subsidiary Company and the senior management team of the Parent shall consult with the Subsidiary Company regarding any changes to it from the immediately preceding Business Plan.
- 7.3 **Format of Business Plan.** The Subsidiary Company's Business Plan shall incorporate:-
- 7.3.1 a revised budget and cash flow forecast for that period;
 - 7.3.2 a statement of the intended activities of the Subsidiary Company (including any new activities) in that period;
 - 7.3.3 such other items as are required by The Scottish Housing Regulator, any Competent Authority or any funders, and;
 - 7.3.4 such other items as are required by the Parent for the Subsidiary Company .

7.4 **Basis of Business Plan.** Each of the Subsidiary Company's Business Plan shall be prepared in accordance with the policies of the Group and of the Subsidiary Company set from time to time in accordance with Clause 5.

7.5 **Approval.** The Subsidiary Company's Business Plan will be effective for the purposes of this Agreement once approved by the Parent (which may require amendments to be made before giving approval) and by the Board.

8 UNDERTAKINGS

8.1 **Subsidiary Company General Undertakings.** The Subsidiary Company undertakes to the Parent that it shall co-operate in seeking to ensure that the Subsidiary Company will (unless the Parent agrees otherwise):-

8.1.1 carry on its business in accordance with its Constitution;

8.1.2 maintain its registration under the Companies Acts 1985 to 1989.

8.1.3 comply with all performance expectations and circulars of Competent Authorities insofar as they relate to its business with that Competent Authority;

8.1.4 operate in all respects in accordance with its Standing Orders and within the scope of its Business Plan;

8.1.5 take all steps to establish a group for the purposes of value added tax, corporation tax and/or stamp duty if the Parent so directs;

8.1.6 comply with any requirement of the Parent in relation to the maximisation of any tax savings relating to the Group including, without limitation, in relation to tax losses;

8.1.7 have and maintain as its accounting reference date 31 March; and

8.1.8 appoint auditors approved by the Parent.

8.2 **Subsidiary Company Financial Undertakings.** The Subsidiary Company undertakes that it shall, unless the Parent agrees otherwise, comply with its Business Plan.

8.3 **Subsidiary Company Negative Undertakings.** The Subsidiary Company agrees it will not do any of the following without the prior written consent of the Parent:-

8.3.1 acquire or form any Subsidiary, associate, affiliate or related company or enter into any merger, amalgamation or consolidation or make any alteration to its share capital;

8.3.2 cease or threaten to cease to carry on business nor make any substantial change in the scope or nature of its business or operations;

8.3.3 appoint as company secretary anyone other than as approved by the Parent;

8.3.4 appoint any employee;

8.3.5 appoint a chair or deputy chairs or any Board Member or co-optee; or

8.3.6 take any action to remove a Board Member without having given at least 10 Business Day's prior notice to the Parent.

8.4 **Parent Positive Undertakings.** The Parent will at all times:-

8.4.1 use its reasonable endeavours to act in the best interests of the Group;

8.4.2 maintain its registration with The Scottish Housing Regulator;

8.4.3 act as guardian of the good name and reputation of the Group.

8.5 **Parent Negative Undertakings.** The Parent undertakes to each Subsidiary Company that it will not without consulting with the Subsidiary Company :-

8.5.1 require any Subsidiary Company to do anything which would not comply with any law or regulation of a Competent Authority.

9 INFORMATION

9.1 **Ordinary Subsidiary Company Information.** The Subsidiary Company undertakes to provide to the Parent:-

9.1.1 the final audited version of its audited financial statements within the time period permitted by law and in any event within 180 days of its year end signed by the Auditors and the Chair of the Subsidiary Company (or, if the accounts of that person are required to be consolidated with the Parent, and the Parent agrees, within 180 days (and a first draft within 60 days) of the year end of the Financial Year of that Subsidiary Company);

9.1.2 immediately on the Parent's request, any other report, information or communication issued by any regulatory or self regulatory authority or organisation (together the "Organisations") in respect of the Subsidiary Company's business and/or financial condition which is not in the public domain together with, at the time of despatch, copies of all documents sent by the Subsidiary Company to the Organisations ;

9.1.3 as soon as they become available, but in any event within 60 days of the end of each financial quarter to which such statements relate, a copy of its quarterly accounts for such quarter in the form required by the Parent; and

9.1.4 as soon as they become available and in accordance with Clause 6, copy Strategic Objectives, Standing Orders, policies and Business Plan.

9.2 **Extraordinary Subsidiary Company Information.** The Subsidiary Company undertakes to provide to the Parent:-

9.2.1 immediately on the Subsidiary Company becoming aware, details of any litigation, arbitration, action or proceeding of or before any Competent Authority, court or agency which is commenced or threatened or pending against it;

9.2.2 notice immediately to that effect following the occurrence of an Event of Default or a Potential Event of Default and the steps taken by the Subsidiary Company (if any) to rectify it;

9.2.3 from time to time promptly, if requested by the Parent, any information about its business and financial condition (in whatever format the Parent may require) which the Parent, (or any accountants appointed at any time to investigate the Subsidiary Company following an Event of Default), may require; and

9.2.4 notice immediately should the Board of a Subsidiary Company intend to take any action to remove a Board Member.

9.3 **Extraordinary Parent Information.** The Parent agrees to disclose promptly to the Subsidiary Company any reports from any Competent Authority which is critical of the activities of the Parent when this could reasonably be expected to be relevant to the Group.

- 9.4 **Confidentiality.** The Parent and the Subsidiary Company agrees to keep confidential any information it receives in relation to the Subsidiary Company and/or the Parent. Each Party shall comply with any additional and reasonable requirements of the other Party in relation to the confidentiality or security of any information it has provided to the other Party. In addition, neither the Parent nor the Subsidiary Company shall be required to produce information under this Clause if that would lead to a breach of any legal obligation or any obligation to any Competent Authority.

10 EVENTS OF DEFAULT

Each of the following shall be an Event of Default in relation to the Subsidiary Company;

- 10.1 A failure by the Subsidiary Company to pay any sum due from it under any Relationship Agreement in cleared funds on the due date (or such longer period as the Parent may agree); or
- 10.2 A breach by the Subsidiary Company in the performance of any other obligations, covenants or undertakings under or in connection with any Relationship Agreement and (where the same is capable of remedy) failure by the Subsidiary Company to remedy that breach within 28 days following notice by the parent requiring the breach to be remedied or to have implemented a plan approved by the Parent for remedying the breach; or
- 10.3 Failure by the Subsidiary Company to comply with Clause 8.2; or
- 10.4 A petition being presented (which is not dismissed within 14 days of presentation), an order being made or a meeting being convened or an effective resolution being passed, for the winding up of the Subsidiary Company; or
- 10.5 An encumbrancer taking possession or a liquidator, provisional liquidator, receiver, manager, trustee, sequestrator or similar officer being appointed over all or any of the assets of the Subsidiary Company ; or
- 10.6 A distress, execution, attachment or other legal process being levied, enforced on or sued out against any of the assets of the Subsidiary Company and not being discharged or paid in full within five Business Days or any Encumbrance over such assets becoming enforceable and steps being taken to enforce the same; or
- 10.7 A Subsidiary Company being unable or admitting in writing an inability to pay its debts or proposing or entering into a voluntary arrangement (within the meaning of Section 1 of the Insolvency Act 1986) or taking or being subjected to any proceedings under any law, or suspending or threatening to suspend payment of all or a material part of its debts, or commencing negotiations with one or more of its creditors for the readjustment, rescheduling or deferment of all or any of its debts, or proposing or entering into any general assignment or composition with or for the benefit of its creditors; or
- 10.8 Any indebtedness of the Subsidiary Company becoming immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity, by reason of default, or the Subsidiary Company failing to discharge any indebtedness on its due date or within any applicable grace period or the Subsidiary Company being in breach of or in default under any agreement to which it is party or which is binding on it or any of its assets in each case for an amount in excess of £1,000; or
- 10.9 There being a change in the business or financial condition of the Subsidiary Company which, in the Parent's reasonable opinion, is likely to have a Material Adverse Effect or the Subsidiary Company ceasing or threatening to cease to carry on all or a substantial part of its business; or

- 10.10 Any guarantee or indemnity in respect of any loan(s) or debt(s) of any third party given by the Subsidiary Company not being honoured when due and called upon and steps being taken to enforce the same; or
- 10.11 Any Public Sector Grant, which has been paid to the Subsidiary Company , becoming repayable by the Subsidiary Company or any future instalments of such Public Sector Grant ceasing to be payable to the Subsidiary Company , in each case by reason of breach of any term or conditions on which such grant was made; or
- 10.12 The Subsidiary Company failing to carry on its business in accordance with any guidelines, criteria or regulations published by any Competent Authority (or other body from which the Subsidiary Company receives or might receive Public Sector Grant) where as a result-
- (a) there is significant reduction in the amount of any Public Sector Grant receivable by the Subsidiary Company ; or
- (b) any Competent Authority states that such a reduction will take place; or
- 10.13 The Parent considering that there is a material risk an event of Default will occur unless the Parent exercises those rights; or
- 10.14 There being a material deterioration in the actual financial performance of the Subsidiary Company for any Financial Year as compared with that stated in the latest Business Plan; or
- 10.15 If in the Parent's reasonable opinion exercise of control in accordance with Clause 11.2 is necessary in order to (a) preserve Group Status; or (b) bring the Subsidiary Company within its Business Plan where the Subsidiary Company is operating outside it or, there is in the Parent's reasonable belief, an imminent risk of the Subsidiary Company operating outside its Business Plan; or (c) procure the resolution of any conflict between the policies and procedures of the Parent and the Subsidiary Company which is or could reasonably be expected to be materially prejudicial to the standing of the Parent or the Group; or
- 10.16 If the Parent is required to take action in relation to the Subsidiary Company by a Competent Authority which would require it to use powers under Clause 11.2; or
- 10.17 Any event or series of events which would be reasonably likely to have a material and adverse effect on the ability of the Subsidiary Company to comply with its obligations under this Agreement or any Relationship Agreement.

11 EXERCISE OF CONTROL BY PARENT

- 11.1 The Parent may exercise the rights of control set out in Clause 11.2 to the extent necessary to protect the interests of the Subsidiary Company and/or the Parent and the standing and reputation of the Group (but without the Parent or any of its officers being a shadow director of the Subsidiary Company) if an Event of Default or Potential Event of Default occurs and is continuing and is not waived by the Parent.
- 11.2 Where this Clause 11 applies, the Parent may at the cost of the Subsidiary Company:-
- 11.2.1 exercise its rights under the Constitution of the Subsidiary Company to appoint and/or remove Shareholders and Board Members of that Subsidiary Company and may require the Subsidiary Company to appoint and/or remove from any Committee such persons as the Parent may nominate; and/or
- 11.2.2 appoint investigating accountants in respect of the Subsidiary Company .
- 11.3 If the Parent is satisfied that the events which caused the Parent's powers under Clause 11.2 to be exercisable have been remedied to the Parent's reasonable satisfaction and that no event within Clause 11.1 is likely to recur, it shall as soon as practicable remove any Board

Members of the Subsidiary Company appointed by it following the Event of Default or Potential Event of Default and reinstate any such Board Members (who are eligible and willing to serve) removed by it.

- 11.4 The Parent will only exercise its right under [the relevant rule, or as the case may be, article] of the Constitution of the Subsidiary Company to appoint and remove Board Members in accordance with Clauses 11.1 to 11.3 inclusive.

12 INDEMNITY

The Subsidiary Company will, on demand, pay to the Parent the amount of all costs and expenses (on a full indemnity basis) incurred:-

- (a) by the Parent in connection with the enforcement of preservation of, or advice in relation to the enforcement or preservation of, any rights under any Relationship Agreement; or
- (b) in investigating any Event of Default or Potential Event of Default or taking action under Clause 11 as a result of an Event of Default;

which in each case relates to the Subsidiary Company .

13 MISCELLANEOUS

- 13.1 **Waivers and Consents.** No delay or omission by any party in exercising any right or power under this Agreement shall impair a right or power, and any single or partial exercise of it shall not preclude any other or further exercise of it or the exercise of any other right or power. For any waiver or consent to be effective, it must be made or given in writing.
- 13.2 **Enforceability.** It at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable the legality, validity and enforceability of the other provisions of this Agreement shall not be affected.

14 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with Scottish Law.

15 NOTICES

Every notice, request or other communication shall:-

- 15.1 be in writing delivered personally or by prepaid first class letter or by fax;
- 15.2 be deemed to have been received, in the case of a letter when delivered personally or 48 hours after it has been sent by first class post or in the case of a fax on receipt of a legible copy by the recipient provided that any letter sent by fax or personally which arrives after business hours or on a day which is not a Business Day shall be deemed to have been served at the opening of business on the next Business Day; and
- 15.3 be sent;
 - (a) to the Parent at its address stated above marked for the attention of its Chairperson;
 - (b) to the Subsidiary Company at the address stated above and marked for the attention of its Chairperson;

or (in each case) to such other address or fax number and/or marked for the attention of such other person in Scotland, as may be notified in writing by the relevant party to the other party by not less than 15 days' notice.

IN WITNESS WHEREOF these presents consisting of this and 11 preceding pages are subscribed as follows:-

For and on behalf of the Parent

On 25/2/10

At 104 BARDOWIE STREET, GLASGOW

By Patricia Kenna

Name PATRICIA KENNA

Before this Witness:

Name: KARIN CONNELL

Address: 104 BARDOWIE STREET GLASGOW

Occupation: FINANCE OFFICER

For and on behalf of the Subsidiary Company

On 25/2/10

At 104 BARDOWIE STREET, GLASGOW

By Robert B. Martness

Name ROBERT BRYAN MARTNESS

Before this Witness:

Name: BARRY WOLFE

Address: 104 BARDOWIE STREET, GLASGOW

Occupation FINANCE OFFICER