

The Companies Act 1985 ("the Act")
Company Limited by Guarantee and Not Having a Share Capital

ARTICLES OF ASSOCIATION

of

SOUTH SHROPSHIRE TOURISM LIMITED

(Adopted by a Special Resolution passed on [])

Incorporated the [] day of []

INTERPRETATION

"office" means the registered office of the company.

"executive officer" means a person appointed to the office of chairman, vice-chairman, finance director or senior team member in accordance with regulation 25.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act.

MEMBERS

1 The subscribers to the memorandum of association of the company and such other persons as are admitted to membership in accordance with the articles shall be members of the company. No person shall be admitted a member of the company unless he is approved by the directors. Every person who wishes to become a member shall deliver to the company an application for membership in such form as the directors require executed by him.

2 A member may at any time withdraw from the company by giving at least seven clear days' notice to the company. Membership shall not be transferable and shall cease on death.

3 The directors may also at their discretion terminate the membership of any member.

4 Each member shall pay to the company a membership fee in such amount and on such terms as the directors shall determine and if such annual membership fee shall remain unpaid for 28 days after being demanded then the membership of the member shall be deemed to be terminated.

MEMBERS MEETINGS

5 The provisions of the Company's "Members Meetings Procedures" (attached) shall apply.

NUMBER OF DIRECTORS

6 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum shall be three.

ALTERNATE DIRECTORS

7 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

8 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director.

9 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

10 Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.

11 Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

12 Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

13 In the exercise of the powers of the company the directors shall at all times use their reasonable endeavours to comply in all material respects with any applicable policies and procedures adopted by the company from time to time.

14 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

15 The directors may delegate any of their powers to any committee consisting of one or more directors or members provided that if any such committee is created to achieve a specific task it shall be dissolved upon completion of that task or the expiry of a time limit imposed by the directors, whichever is sooner. They may also delegate to any executive officer(s) such of their powers as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members or executive officers shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

16 At every annual general meeting all of the directors shall retire.

17 If the company, at the meeting at which a director retires in accordance with regulation 16, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.

18 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.

19 Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

20 The office of a director shall be vacated if--

- (a) 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
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either--
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) 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 powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the company; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS AND DIRECTORS' EXPENSES

21 The provisions of the memorandum of association as to the remuneration of the directors and directors' expenses shall apply.

DIRECTORS' APPOINTMENTS AND INTERESTS

22 A director must be a member and any appointment of a director shall terminate if he ceases to be a member.

23 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office--

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company or in which the company is otherwise interested;

- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

24 For the purposes of regulation 23

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

EXECUTIVE OFFICERS

25 Subject to the provisions of the Act, the directors may appoint two of their number to the offices of chairman and vice-chairman and any member of the company to the office of finance director and the members may in general meeting appoint four of their number to the offices of senior team member and the company may enter into an agreement or arrangement with the executive officers for their employment by the company or for the provision by them of any services for the company.

26 Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such executive officer for his services as they think fit.

27 The appointment of an executive officer who is a chairman or vice chairman (but not a finance director or senior member) shall terminate on executive officer ceasing to be a director.

28 All executive officers shall be subject to retirement at every annual general meeting and shall be re-appointed or new executive offices shall be appointed in accordance with regulation 25.

29 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than an executive officer retiring at the meeting) who is recommended by the directors for appointment or reappointment as an executive officer at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as an executive officer. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.

30 Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be an executive officer to fill a vacancy. An executive officer so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, their appointment shall terminate at the conclusion thereof.

PROCEEDINGS OF DIRECTORS

31 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the company secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director or alternate director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a

second or casting vote. 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.

32 An executive officer that is not a director shall be entitled to receive notice of, attend and speak at but not be counted as part of the quorum or vote at any meeting of the directors.

33 The directors may invite one representative from each of [6 TOWNS] or any of the members or the company or any other person who is not a member to attend and speak at but not be counted as part of the quorum or vote at any meeting of the directors.

34 The directors shall meet and shall invite all the executive officers to such meetings at least three times in each calendar year.

35 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

36 Subject to disclosure in accordance with the Act, a director is entitled to vote at any meeting of the directors or of a committee of directors on any resolution, notwithstanding that it in any way concerns or relates to 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, and in relation to any such resolution (whether or not he votes on the same) he is to be taken into account in calculating the quorum present at the meeting.

37 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

38 Unless he is unwilling or unable to do so, the chairman appointed in accordance with regulation 25 shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

39 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

40 A resolution in writing signed by a majority of 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 and held and may consist of several documents 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.

41 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

42 The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

43 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

44 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

COMPANY SECRETARY

45 Subject to the provisions of the Act, the company secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any company secretary so appointed may be removed by them.

MINUTES

46 The directors shall cause minutes to be made in books kept for the purpose--
(a) of all appointments of officers made by the directors; and
(b) of all proceedings at meetings of the company and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

ACCOUNTS

47 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

WINDING UP

48 On the winding-up and dissolution of the company the provisions of the memorandum of association shall have effect as if repeated in these articles.

INDEMNITY

49 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, any director or executive officer shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

MEMBERS MEETINGS PROCEDURES

GENERAL MEETINGS

1 All general meetings other than annual general meetings shall be called extraordinary general meetings.

2 The directors may call general meetings and, on the requisition of members holding more than ten per cent of the voting rights of a meeting of all the members, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.

NOTICE OF GENERAL MEETINGS

3 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 clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if is so agreed--

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

(b) in the 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 of the total voting rights of the meeting of all the members.

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. Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members and to the directors and auditors.

4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

NOTICES

5 The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the company by the member. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company. In relation to electronic communications "address" includes any number or address used for the purposes of such communications.

6 A member present, either in person or by proxy, at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

7 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

PROCEEDINGS AT GENERAL MEETINGS

8 No business shall be transacted at any meeting unless a quorum is present. A number of members holding not less than five per cent of the total voting rights of a meeting of all the members, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

9 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the directors may determine.

10 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

11 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

12 A person who is recommended by the directors for appointment or reappointment as a director at a general meeting shall, notwithstanding that he is not a member, be entitled to attend and speak at that meeting.

13 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

14 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by the chairman or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote and being present at the meeting and a demand by a person as proxy for a member shall be the same as a demand by the member.

15 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

16 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

17 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

18 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

19 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

20 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

21 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

22 On a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote.

23 No member shall be entitled to vote at any general meeting unless all monies presently payable by him to the company have been paid.

24 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

25 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

26 The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in a form which is usual or which the directors may approve.

27 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may

(a) in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any director;

and an appointment of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

28 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.