

*THE COMPANIES ACTS 1862 TO 1900*

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COMPANY LIMITED BY SHARES

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MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF THE

**American Mortgage Company  
of Scotland Limited**

*Incorporated 23rd June 1906*

K. & W. P. LINDSAY, W.S., EDINBURGH

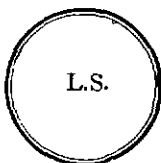
No. 6222.

## CERTIFICATE OF INCORPORATION

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I HEREBY CERTIFY that the AMERICAN MORTGAGE COMPANY OF SCOTLAND LIMITED is this day Incorporated under the Companies Acts, 1862 to 1900, and that this Company is LIMITED.

Given under my hand at Edinburgh, this Twenty-third day of June One thousand nine hundred and six.



R. R. MACGREGOR,  
*for Registrar of Joint-Stock Companies.*

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Principal filed  
23 June 1906

*The Companies Acts, 1862 to 1900.*

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**COMPANY LIMITED BY SHARES.**

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**MEMORANDUM OF ASSOCIATION**

OF THE

**American Mortgage Company  
of Scotland Limited.**

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- I. The name of the Company is the "AMERICAN MORTGAGE COMPANY OF SCOTLAND LIMITED."
- II. The Registered Office of the Company will be situate in Scotland.
- III. The objects for which the Company is established are:—
  - i. To acquire the property and assets of the American Mortgage Company of Scotland Limited, incorporated in 1877, upon the terms of the draft Agreement referred to in Article IV. of the annexed Articles of Association, and to carry the same into effect, subject to any modifications thereof which the Board may approve, and that either before or after the execution thereof, and to carry on the business of a Mortgage and Investment Company.

2. To purchase, invest in or upon, or otherwise to acquire, hold, sell, pledge, charge, dispose of and deal in all or any securities or investments of all classes and descriptions, including, *inter alia*, the following (that is to say): the shares and stocks, whether preference, ordinary, founder's, or deferred, and whether fully paid or not, bonds, mortgages, obligations, debentures, debenture stock, scrip, property, assets, guarantees, policies of insurance or securities of any company, person, firm, corporation, or trust, carrying on or formed to carry on, business in the United Kingdom of Great Britain and Ireland, or India, or any British Colony or Dependency, or in the United States of America or any other foreign country or state, or in the shares, stocks, bonds, debentures, obligations, scrip, or securities of any British, Colonial, or Foreign Government, or authority — supreme, municipal, local, or otherwise.
3. To acquire any securities or investments aforesaid by purchase, original application, underwriting, tender, participation in syndicates, barter, or like negotiations or otherwise, and to pay calls thereon when payable or make payments thereon in advance of calls or otherwise, and to sell, dispose of, exchange, or otherwise deal with any securities or investments belonging to the Company or in which it has an interest; to negotiate the issue and placing of, or to offer for public subscription, any securities or investments aforesaid, and to vary such securities and investments from time to time as the Company may think fit.

4. To advance or lend money, with or without security, upon such terms as may be arranged, and also to make advances upon or hold in trust any securities or investments as aforesaid, and to receive money, valuables, titles, scrip, and other documents for safe custody.
5. To purchase or otherwise acquire, hire, take on lease, hold, sell, dispose of, mortgage, pledge, develop, trade in, use, turn to account, and deal in property, heritable and moveable, real and personal, of all kinds, and, in particular, lands, hereditaments, business concerns and undertakings, annuities, patents, licences, trade-marks, copyrights, inventions, designs, concessions, produce, policies, book debts and claims, and any interest therein, and any claims against such property or against any person or company, and to carry on any business concern or undertaking so acquired, whether such property or rights are in the United Kingdom of Great Britain and Ireland, or any British Colony or Dependency, or the United States of America, or any other foreign country or state, and to carry on any business (except life assurance business) which may seem to the Company likely to enhance the value of any property or rights of the Company, or to facilitate the disposal thereof.
6. To conduct and carry on all kinds of trust and agency business.
7. To acquire by purchase or otherwise, sell, lend on, and deal in reversionary and life interests and annuities, and to purchase or lend upon policies of life assurance and others.

8. To borrow and raise any sum or sums of money by way of loan, discount, cash credit, overdraft or guarantee, or upon bills of exchange, promissory notes, bonds, bonds and dispositions in security, cash credit bonds, debentures debenture stock, mortgages, deposit receipts, or in any other manner; and to grant security for all or any of the sums so borrowed, or for which the Company may be or may become liable, and by way of such security to dispo, mortgage, pledge, or charge the whole or any part of the property, assets or revenue of the Company, including uncalled or unpaid capital, or to dispo, transfer, or convey the same absolutely or in trust, and to give to lenders or creditors powers of sale, and other usual and necessary powers.
9. To deal with any bank, bankers, or others, in the way of placing money on current account or deposit, or to borrow money from such banks or others, either with or without the deposit, pledge or assignment of securities.
10. To take, make, execute, enter into, commence, carry on, prosecute, and defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements, and schemes, and do all other acts, matters, and things which shall at any time appear conducive to or expedient for the protection of the Company, as owner of or interested in any such securities and investments aforesaid, or for obtaining payment of the monies payable thereon, or in connection with the property or rights of the Company.



11. To accept from any shareholder or shareholders, on such terms and conditions as may be agreed, a surrender of his shares or any part thereof
12. To receive at the option of the Directors, from the shareholders, or any of them desirous of paying the same, on such terms as may be agreed, all or any part of the monies to become due on the shares beyond the sums paid up or then payable, and to pay interest thereon from the assets of the Company.
13. To guarantee the fidelity of persons filling, or about to fill, situations of trust or confidence, and the due performance and discharge by such persons of all or any of the duties and obligations imposed on them by contract or otherwise.
14. To insure or guarantee the payment secured by or payable under, or in respect of bonds, debentures, debenture stock, bills, promissory notes, contracts, mortgages, charges, obligations and securities of any bank or company, or of any authority — supreme, municipal, local or otherwise, or of any persons or firm, and in security of such insurance or guarantee to mortgage, charge, pledge, assign, and convey absolutely or in security, all or any of the Company's property, assets, estate, and effects, both present and future, including its uncalled capital, and to reinsure and effect counter guarantees.
15. To undertake the office of trustee, receiver or liquidator, whether official or otherwise, executor, administrator, committee, manager,

broker, agent, attorney, delegate, substitute, or treasurer, and any other offices or situations of trust or confidence, and to perform and discharge the duties and functions incident thereto.

16. To furnish and provide deposits and guarantee funds required in relation to any tender or application for any contract, concession, decree, enactment, property or privilege, or in relation to the carrying out of any contract, concession, decree or enactment.
17. To purchase or otherwise acquire the whole or any part of the goodwill, business, property and assets, and undertake the liabilities of any person or company carrying on any business which this Company may legally carry on, or possessed of property suitable for the purpose of this Company, and to pay for same in cash, or in bonds, debentures, debenture stock, or other acknowledgments of debt or stock or shares of the Company, or partly, in each of such modes.
18. To enter into partnership, joint adventure, or any joint purse arrangement, or any arrangement for sharing profits, union of interest, or co-operation with any company, firm, or person carrying or proposing to carry on any business within the objects of the Company, and to promote, acquire, and hold shares, stock, or securities of any such company.
19. To invest any sum which may be set aside as a Reserve Fund, and any monies of the Company not immediately required in any of the securities or investments which the

Company is legally entitled to purchase, invest in or upon, or otherwise acquire.

20. To apply for, or concur with others in applying for, or to appear and oppose the application made by any person or corporation for, any Act of Parliament, Order of the Board of Trade, provisional order, concession or grant, either at home or elsewhere, which the Company may consider expedient to apply for or oppose.
21. To receive the dividends, incomes, profits and advantages, of every description, from time to time payable or receivable in respect of the Company's securities, loans and investments, and to apply the same respectively, according to the provisions of the Articles of Association in force for the time being.
22. To accept in or towards payment or satisfaction or part payment or satisfaction of any claim or debt owing to the Company, bonds, bills, or promissory notes, or other obligations of any person or partnership, or the stocks, shares, debentures, or debenture stocks, bonds, mortgages, or other securities or acknowledgments of any incorporated or joint-stock company or trust or corporation, as also land, hereditaments, houses and other property, real or personal, of any kind or description, and as regards land, whether freehold, leasehold, or otherwise, and whether subject to any charges or burdens affecting the same or not.
23. To grant and issue in payment of any purchase made by the Company, or in satisfaction of

any debt or obligation owing by the Company, the bonds, debentures, or other acknowledgments of, or shares or stock in the Company, and as regards bonds and debentures, with or without a mortgage or charge upon the property or assets of the Company, or any part thereof.

24. To enter into any arrangement with any government or authority—supreme, municipal, local or otherwise—that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.
25. To pay all expenses of and incidental to the incorporation of the Company, to remunerate any person or persons, company or firm, for services rendered in relation to the formation, promotion and establishment of the Company, or placing the share or debenture capital of the Company.
26. To draw, make, accept, endorse, discount, execute, issue and deal in promissory notes, bills of exchange, bills of lading, warrants, drafts, and other negotiable or transferable instruments, and deal in bullion, specie and coin.
27. To sell, transfer, or dispose of the undertaking, property and business of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular

- for cash or for shares, stock, debentures or securities of any other company, or partly in each of such modes.
28. To distribute any of the property of the Company among the members in specie.
  29. To promote any company or companies in the United Kingdom or elsewhere for the purpose of carrying on any business which the Company can carry on, or for the purpose of acquiring all or any of the property, rights and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company and remunerate any person or company for services rendered in or about the formation or promotion of such company or companies
  30. To procure the Company to be registered or recognised in any British Colony, Dependency or possession, or in any foreign country or State.
  31. To do all or any of the above things as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise.
  32. To do all such other things as are incidental or conducive to the attainment of any of the above objects, and so that the various businesses or objects specified shall be regarded as independent objects, and in nowise restricted (except where otherwise expressed in such paragraphs) by reference to the name of the Company, or to the

businesses or objects contained in any other paragraphs.

IV. The liability of the members is limited.

V. The Capital of the Company is £250,000, divided into 12,500 Preference Shares of £10 each, and 125,000 Ordinary Shares of £1 each. The said Preference and Ordinary Shares shall have the rights, privileges and priorities respectively set out in the Articles of Association of the Company for the time being in force. The rights of the holders of any class of Shares may be varied, modified, or dealt with in the manner mentioned in Clauses 75 and 76 of the accompanying Articles of Association but not otherwise, and these Clauses shall be deemed to be incorporated herewith and have effect accordingly. The Company may increase or reduce its Capital, and may issue any part of the new Shares with any preference, priority, or guarantee, or with any special rights or restrictions, but not so as to prejudice the preferential rights for the time being attached to any class of Shares without the sanction specified in said Clauses 75 and 76 of the Articles of Association.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES, AND DESCRIPTIONS OF SUBSCRIBERS.	No. of Shares taken by each Subscriber.
JOHN CAMPBELL, S.S.C., 36 Castle Street, Edinburgh.	One Ordinary.
ALFRED SHEPHERD, W.S., 63 Castle Street, Edinburgh.	One Ordinary.
GEORGE DUNLOP, W.S., 20 Castle Street, Edinburgh.	One Ordinary.
HOLMES IVORY, W.S., 6 Albyn Place, Edinburgh.	One Ordinary.
PATRICK MURRAY, W.S., 43 Castle Street, Edinburgh.	One Ordinary.
D. LYELL, W.S., 39 Castle Street, Edinburgh.	One Ordinary.
HENRY INGLIS LINDSAY, W.S., 16 Queen Street, Edinburgh.	One Ordinary.

Dated this <sup>22<sup>nd</sup></sup> ~~Twenty-second~~ day of June <sup>1906</sup> ~~Nineteen hundred and Six~~

Witness to the above Signatures—

WILLIAM SHEARER, 63 Castle Street, Edinburgh,  
*Law Clerk.*

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Principal files  
23 gms 906  
K.M.

The Companies Acts, 1862 to 1900.

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COMPANY LIMITED BY SHARES.

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ARTICLES OF ASSOCIATION

OF THE

American Mortgage Company  
of Scotland Limited.

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IT IS AGREED AS FOLLOWS:—

I.—PRELIMINARY.

1. The regulations contained in Table "A" of the first schedule to "The Companies Act 1862" shall not apply to this Company, but the following shall be the regulations of the Company. Table "A" not to apply.

2. In the construction of these Articles the following words shall have the respective meanings hereby assigned to them, unless there be something in the context inconsistent therewith:— Interpretation.

- (a) Words denoting the singular number only shall include the plural number also, and *vice versa*.
- (b) Words denoting the masculine gender only shall include the feminine gender also;
- (c) Words denoting persons only shall include corporations.
- (d) "Extraordinary Resolution" shall in the case of a Meeting of the holders of any class of Shares mean a Resolution passed by a majority con-



sisting of not less than three-fourths of the votes given upon the Resolution :

- (e) "Month" shall mean a calendar month.
- (f) "Written" shall include "printed," "typewritten" or "lithographed."
- (g) "The Company" shall mean the American Mortgage Company of Scotland Limited.
- (h) "Board" means the Directors of the Company as a body, or a quorum of the Directors present at a Board meeting.

3. The business of the Company shall not be commenced, nor shall any borrowing powers of the Company be exercised, unless the conditions specified in Section 6 (1) of the Companies Act 1900 (so far as such conditions apply to the Company) have been complied with.

4. The Company shall forthwith enter into an Agreement between the American Mortgage Company of Scotland Limited, incorporated in 1877, and Douglas Murrie, Chartered Accountant, Edinburgh, of the one part, and this Company of the other part, in terms of the Draft which for the purpose of identification has been initialed by each subscriber to the Memorandum of Association, and the Board shall carry same into effect subject to any modifications thereof which the Board may approve, and that either before or after the execution thereof.

## II.—CAPITAL.

### I. SHARES.

5. The Capital of the Company is £250,000, divided into 137,500 Shares. Of these Shares 12,500 numbered 1 to 12,500 shall be issued as Preference Shares of £10 each, and 125,000 Shares, numbered 12,501 to 137,500, shall be issued as Ordinary Shares of £1 each. The

Capital.

Preference Shares shall be entitled to a cumulative preferential dividend at the rate of  $4\frac{1}{2}$  per cent. per annum. In the event of the Company going into liquidation for the purpose of re-organisation, amalgamation, or dissolution, the said Preference Shares shall be entitled to be paid the amount paid up or credited as paid up on them together with any arrears of dividend and any dividend then accrued thereon, and to payment of a special bonus or dividend of 5 per cent. on the amount of Capital paid up thereon in priority to any payment of capital to the Ordinary Shareholders. All surplus assets and profits (after payment in full of the amount paid up on the said Preference Shares, any arrears of dividend, any accrued dividend and said bonus), shall belong to and be divided amongst the holders of Ordinary Shares.

6. The Directors shall, as regards all allotments of Shares, duly comply with Section 7 of the Companies Act 1900.

Filing of Returns of Allotments and Contracts.

7. If the Company at any time shall offer any of its Shares to the public for subscription, (a) the Directors shall not make any allotment thereof unless and until at least 10 per cent. of the Shares so offered shall have been subscribed, and the sums payable on application shall have been paid to and received by the Company, but this provision is no longer to apply after the first allotment of Shares offered to the public has been made; (b) the amount payable on application on each Share so offered shall not be less than 5 per cent. of the nominal amount of the Share.

Restrictions on allotments of Shares.

8. If the Company at any time shall offer any of its Shares to the public for subscription, the Board may exercise the powers conferred by Section 8 of the Companies Act 1900, but so that the commission shall not exceed 6 per cent. on the Shares in each case offered.

Commissions for placing Share.

Powers of Board  
as to allotment.

9. Subject to the provisions of the last two preceding Articles, the Shares of the original Capital of the Company may be allotted to such persons and on such terms as the Board may determine. The Company may, on the issue of Shares, make arrangements for a difference between the holders of such Shares in the amount of Calls to be paid and in the time of payment of such Calls.

Issue subject to  
different  
conditions as to  
Calls.

Liability of  
joint holders.

10. If several persons are registered as joint holders of any Share, their liability in respect thereof shall be several as well as joint.

Trusts not  
recognised.

11. The Company shall not be bound by or be compelled in any way to recognise, even when having notice thereof, any trust or any other right in respect of a Share, than an absolute right thereto in the registered holder thereof for the time being, or such other rights in case of transmission thereof as are hereinafter mentioned.

Company not to  
purchase or lend  
on its Shares.

12. The funds of the Company shall not be expended in the purchase of, or lent upon the security of its own Shares.

## 2. CERTIFICATES OF SHARES.

Certificates.

13. Every Member shall be entitled without payment to one certificate under the Common Seal of the Company, specifying the Shares held by him, the numbers thereof, and the amount paid up thereon. Such Certificate shall be signed by one Director and the Secretary or other official of the Company appointed by the Board to sign same.

Certificates in  
name of joint  
holders.

14. Joint holders shall only be entitled to one certificate, and the receipt for such certificate of any one of the joint holders shall be sufficient.

15. If a Certificate be worn out, destroyed or lost, it may be renewed upon payment of one shilling (or such less sum as the Directors may prescribe) upon the production of such evidence of its having been worn out, destroyed or lost, as the Board may consider satisfactory, and upon such indemnity, with or without security, as the Board may require.

Renewed  
Certificates.

### 3. CALLS ON SHARES.

16. The Board may from time to time (subject to any terms upon which any Shares may have been issued) make such Calls as they think fit upon the Members in respect of all monies unpaid on their Shares, provided that fourteen days' notice, at least, be given of each Call, and that no Call shall exceed one-fifth of the nominal amount of a Share or be made payable within one month after the last preceding Call was payable. Each Member shall be liable to pay the Calls so made, and any instalment payable on any Share under the terms of allotment thereof, to the persons and at the times and places appointed by the Board. A Call made payable by instalments may be revoked or the time fixed for its payment postponed by the Board.

Calls.

17. A Call shall be deemed to have been made at the time when the Resolution of the Board authorising such Call was passed.

When Call deemed  
to have been  
made.

18. If any Call payable in respect of any Share, or any money payable on any Share under the terms of allotment thereof, be not paid on or before the day appointed for payment, the holder or allottee of such Share shall be liable to pay interest upon such Call or money from such day until it is actually paid at the rate of 8 per cent. per annum, or such less rate as may be fixed by the Board.

Interest on Calls

*K.M.*

Payment in  
advance of Calls.

19. The Board may, if they think fit, receive from any Member willing to advance same all or any part of the money unpaid upon any of the Shares held by him beyond the sums actually called for. Such advance shall, so far as it shall extend, extinguish the liability existing upon the Shares in respect of which it is received. Upon the money so paid in advance, or upon so much thereof as from time to time exceeds the amount of the Calls then made upon the Shares in respect of which such advance has been made, the Board may pay interest at such rate, if any, as the Member paying such sum in advance and the Board agree upon.

#### 4. TRANSFER AND TRANSMISSION OF SHARES.

Execution of  
Transfer.

20. The transfer of any Share in the Company not represented by a warrant to bearer shall be in writing in the common form, and shall be signed by the transferor and the transferee, one witness being sufficient for each signature, and the transferor shall be deemed to remain a holder of such Shares until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be transferred on the same instrument of transfer without the consent of the Board.

Transfer Fee.

There shall be paid to the Company in respect of the registration of any transfer such fee, not exceeding two shillings and sixpence, as the Board deem fit.

Power to refuse  
to register  
Transfers.

21. The Board may without assigning any reason decline to register any transfer of Shares not fully paid up made to any person not approved by them, or made by any Member jointly or alone indebted or under any liability to the Company, or any transfer of Shares whether fully paid up or not, made to a minor pupil or a person of unsound mind.

22. The instrument of transfer shall be lodged with the Company, accompanied by the Certificate of the Shares comprised therein, and such evidence as the Board may require to prove the title of the transferor, and thereupon and upon payment of the proper fee the transferee shall (subject to the Board's right to decline to register hereinbefore mentioned) be registered as a Member in respect of such Share, and the instrument of transfer shall be retained by the Company.

Transfer to be lodged with Company and evidence of title given.

23. The executors or administrators of a deceased Member, not being a joint holder, and in the case of the death of a joint holder, the survivor or survivors shall alone be recognised by the Company as having any title to the Shares registered in the name of the deceased Member, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

Transmission of Registered Shares.

As to Survivorship.

24. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member or otherwise than by transfer, may, subject to the regulations hereinbefore contained, be registered as a Member upon production of the Share Certificate, and such evidence of title as may be required by the Board, or may, subject to the said regulations, instead of being registered himself, transfer such Share. There shall be paid to the Company in respect of any registration such fee, not exceeding two shillings and sixpence, as the Board deem fit.

As to transfer of Shares of deceased or bankrupt Member.

## 5. LIEN ON SHARES.

Lien.

25. The Company shall have a first and paramount lien on all Shares, other than fully paid up Shares, and on the interest and dividends declared or payable in respect thereof, for all monies due (including calls made, even though the time appointed for their payment may not have arrived) and liabilities to the Company from or on the part of the registered holder or any of the registered holders thereof, either alone or jointly with any other person, and may enforce such lien by sale or forfeiture of all or any of the shares registered in his name or in the name of himself and another. Provided that such forfeiture shall not be made, except in the case of a debt or liability, the amount of which shall have been ascertained, and in the event of a sale the Board shall have power to transfer the Shares to the purchaser, and to apply the net proceeds after payment of all expenses in or towards satisfaction of the debt due to the Company, and the residue (if any) shall be paid to such person or persons as were registered as the holders at the date of the sale.

## 6. FORFEITURE AND SURRENDER OF SHARES.

If Call not paid  
notice may be  
given.

26. If any Member fail to pay any Call or money payable under the terms of allotment of a Share on the day appointed for payment thereof, the Board may, at any time while the same remains unpaid, serve a notice on him, requiring him to pay the same together with any interest that may have accrued thereon and any expenses that may have been incurred by the Company by reason of such non-payment.

27. The notice shall name a further day, not being less than seven days from the service of the Notice, on or before which such Call or other money, and all interest and expenses that have accrued by reason of such non-payment, are to be paid, and the place where payment is to be made (the place so named being either the Registered Office of the Company, or some other place at which Calls are made payable), and shall state that in the event of non-payment on or before the day and at the place appointed, the Share in respect of which such payment is due will be liable to be forfeited.

Form of Notice.

28. If the requisitions of any such notice as aforesaid are not complied with, the Share in respect of which such notice has been given may, at any time thereafter, before payment of all money due thereon with interest and expenses shall have been made, be forfeited by a Resolution of the Board to that effect.

If notices not complied with Share may be forfeited.

29. Any Share forfeited shall be deemed to be the property of the Company, and may be held, reallocated, sold, or otherwise disposed of in such manner as the Board think fit, and in case of reallocation, with or without any money paid thereon by the former holder being credited as paid up; but the Board may at any time before any Share so forfeited shall have been reallocated, sold, or otherwise disposed of, annul the forfeiture thereof upon such conditions as they may think fit.

Forfeited Shares to become the property of the Company.

30. Any Member whose Shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all Calls or other money, interest and expenses owing in respect of such Shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment at the rate of 8 per cent. per annum, or such less rate as may be fixed by the Board.

Arrears to be paid notwithstanding.



Surrender.

31. The Board may accept the surrender of any Share by way of compromise of any question as to the holder being properly registered in respect thereof, or where the Company is entitled to forfeit the Shares surrendered. Any Share so surrendered may be disposed of in the same manner as a forfeited Share.

Validity of Sales  
on re-sale.

32. In the event of the reallocation or sale of a forfeited or surrendered Share, or the sale of any Share to enforce a lien of the Company, a Certificate in writing under the hand of one of the Directors of the Company that the Share has been duly forfeited, surrendered, or sold, in accordance with the regulations of the Company, shall be sufficient evidence of the facts therein stated as against all persons claiming the Share. A Certificate of Proprietorship shall be delivered to the purchaser or allottee, and he shall be registered in respect thereof and thereupon he shall be deemed the holder of the Share discharged from all Calls or other money, interest and expenses due prior to such purchase or allotment, and he shall not be bound to see to the application of the purchase money or consideration, nor shall his title to the Share be affected by any irregularity in the forfeiture, surrender or sale.

## 7. SHARE WARRANTS TO BEARER.

Share Warrants to  
Bearer.

33. The Board may issue under the Common Seal of the Company Share Warrants to bearer in respect of any fully paid-up Shares, and all Shares, while represented by Warrants, shall be transferable by delivery of the Warrants relating thereto.

Stamp duty.

34. Any person applying to have a Share Warrant issued to him, shall, at the time of application, pay, if so required by the Board, the stamp duty (if any)

payable in respect thereof, or if the Company shall previously have compounded for such stamp duty, then such sum (if any) as the Board may determine in respect of the amount payable by the Company for such composition, and also such fee as the Board shall from time to time fix.

35. Subject to the provisions of these Articles and of the Companies Act 1867, the bearer of a Share Warrant shall be deemed to be a Member of the Company to the full extent, but he shall not be entitled to attend or vote at any General Meeting, or to sign a requisition for a meeting, or join in convening a meeting, unless two clear days previously he shall have deposited the Warrant relating to the Shares in respect of which he proposes to vote or act at the Registered Office of the Company, or such other place as the Directors appoint. No Shares represented by Warrants shall be reckoned in the qualification of a Director.

Rights of bearer  
of Share Warrant.

36. The Company shall deliver to a Member depositing a Share Warrant in the manner above mentioned, a certificate, stating his name and address, and the number of Shares represented by such Share Warrant, and the certificate shall entitle him to attend and vote at a General Meeting in respect of the Shares specified therein in the same way in all respects as if he were a Registered Member. Upon delivery up of the certificate the Company shall return him the Share Warrant in respect of which such certificate shall have been given.

Voting rights of  
bearer of Share  
Warrant.

37. No person as bearer of a Share Warrant shall be entitled to exercise any of the rights of a Member (save as hereinbefore expressly provided in respect of General Meetings) without producing such Share Warrant and stating his name, address, and occupation.

Exercise of rights  
as member by  
bearer of Share  
Warrant.

Only absolute  
right in bearer  
recognised.

38. The Company shall not be bound by, or be compelled in any way to recognise, even when having notice thereof, any other right in respect of the Share represented by a Share Warrant, than an absolute right thereto in the bearer thereof for the time being.

Dividends on  
Share Warrants.

39. The Board may provide, by coupons or otherwise, for the payment of the future dividends on the Share included in any Share Warrant, and the delivery up of a coupon shall be a good discharge to the Company.

Issue of Renewed  
Share Warrant.

40. If any Share Warrant be worn out, destroyed, or lost, it may be renewed on payment of one shilling, or such less sum as the Board may prescribe, upon the production of such evidence of its having been worn out, destroyed, or lost, and of the title of the person claiming the Share represented by it, as the Board may consider satisfactory and upon such indemnity, with or without security, as the Board may require.

Registration of  
bearer of Share  
Warrant as  
Member.

41. If the bearer of a Share Warrant shall surrender it to be cancelled, together with all outstanding dividend coupons issued in respect thereof, and shall therewith deposit with the Company an application in writing, signed by him in such form, and authenticated in such manner as the Board require, requesting to be registered as a Member in respect of the Share specified in the said Share Warrant, and stating in such application his name, address, and occupation, he shall be entitled to have his name entered as a Member in the Register of Members of the Company in respect of the Share specified in the Share Warrant so surrendered.

## 8. CONVERSION OF SHARES INTO STOCK AND RECONVERSION INTO SHARES.

42. The Board may convert any paid-up Shares into stock, and may also reconvert such stock into paid-up Shares of any denomination, and with any special rights, privileges and conditions attached thereto.

Conversion of  
Shares into Stock,  
and *vice versa*.

43. When any Shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations as, and subject to which any Shares in the Capital of the Company may be transferred, or as near thereto as circumstances admit, but the Board may from time to time if they think fit fix the minimum amount of stock transferable, and direct that fractions of a pound shall not be transferable, with power nevertheless at their discretion to waive the observance of such rules in any particular case.

Transfer of Stock.

44. The stock shall confer on the holders thereof respectively, the same rights as would have been conferred by fully paid-up Shares of equal amount of the class converted in the Capital of the Company, but so that none of such rights, except the right to participate in the profits of the Company, shall be conferred by any such amount of stock as would not, if existing in Shares of the class converted, have conferred such rights.

Rights of holders.

## 9. CONSOLIDATION AND SUBDIVISION OF SHARES.

45. The Company may in General Meeting consolidate its Shares or any of them, into Shares of a larger amount.

Consolidation.

Subdivision.

46. The Company may by Special Resolution subdivide its Shares, or any of them, into Shares of a smaller amount, and may by such resolution determine that, as between the holders of the Shares resulting from such subdivision, one or more of such Shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the other or others.

#### 10. INCREASE AND REDUCTION OF CAPITAL.

Increase of Capital.

47. The Board may from time to time increase the Capital of the Company by the issue of new Shares.

Issue of new Shares.

48. Such new Shares shall be of such amount, and shall be issued for such consideration, on such terms and conditions, and with such preference or priority as regards dividends or in the distribution of assets, or as to voting or otherwise over other Shares of any class, whether then already issued or not, or with such stipulations deferring them to any other Shares with regard to dividends, or in the distribution of assets, as the Company may direct, and subject to or in default of any such direction, the provisions of these Articles shall apply to the new Capital in the same manner in all respects as to the original Capital of the Company.

Reduction of Capital.

49. The Company may by Special Resolution reduce its Capital by paying off Capital, cancelling Capital which has been lost or is unrepresented by available assets, reducing the liability on the Shares, cancelling Shares not taken or agreed to be taken by any person, or otherwise, as may seem expedient, and Capital may be paid off upon the footing that it may be called up again or otherwise.

### III—MEETINGS OF MEMBERS.

#### 1. STATUTORY MEETING.

50. The Statutory Meeting shall be held at such time within a period of not less than one month or more than three months from the date at which the Company is entitled to commence business, and at such place as the Board may determine.

When Statutory Meeting to be held.

#### 2. CONVENING OF GENERAL MEETINGS.

51. General Meetings shall be held once in every year, at such time and place as may be prescribed by the Company in General Meeting, and if no time or place is so prescribed, as may be determined upon by the Board.

When General Meetings to be held.

52. The General Meetings mentioned in the last preceding Article shall be called Ordinary General Meetings; all other General Meetings shall be called Extraordinary General Meetings.

Distinction between Ordinary and Extraordinary Meetings.

53. The Board may, whenever they think fit, convene an Extraordinary General Meeting, and they shall on the requisition of the holders of not less than one-tenth of the issued Capital of the Company upon which all Calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting, and the following provisions of the Companies Act 1900 shall have effect:—

When Extraordinary Meetings to be called.

Provisions in case of Requisition.

- (1) The requisition must state the objects of the Meeting, and must be signed by the requisitionists and deposited at the office of the Company, and may consist of several documents in like form, each signed by one or more requisitionists:

- (2) If the Board do not proceed to cause a Meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or a majority of them in value may themselves convene the Meeting, but any Meeting so convened, shall not be held after three months from the date of such deposit :
- (3) If at any such Meeting a Resolution requiring confirmation at another Meeting is passed, the Board shall forthwith convene a further Extraordinary General Meeting, for the purpose of considering the Resolution, and if thought fit of confirming it as a Special Resolution, and if the Board do not convene the Meeting within seven days from the date of the passing of the first Resolution, the requisitionists or a majority of them in value may themselves convene the Meeting.
- (4) Any Meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which Meetings are to be convened by the Board.

Notice of Meeting.

54. Seven days' notice of any General Meeting (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day of the Meeting), specifying the day, hour, and place of the meeting, shall be given to the Members in manner hereinafter mentioned, or in such other manner as may from time to time be prescribed by the Company in General Meeting, but the non-receipt of such notice by any Member shall not invalidate the proceedings at any General Meeting. Whenever it is intended to pass a Special Resolution, the two Meetings may be convened by one and the same notice, and it shall be no objection that the notice

only convenes the second Meeting contingently on the Resolution being passed by the requisite majority at the first meeting.

55. The notice convening an Ordinary General Meeting shall state the general nature of any business intended to be transacted thereat, other than declaring dividends, electing Directors and Auditors, and voting their remuneration, and considering the accounts presented by the Board, and the reports of the Board and the Auditors. The notice convening an Extraordinary General Meeting shall state the general nature of the business intended to be transacted thereat.

### 3.—PROCEEDINGS AT GENERAL MEETINGS.

56. Three Members present in person or by proxy, holding or representing one-tenth of the issued capital of the Company, shall be a quorum at a General Meeting.

57. If within a quarter of an hour from the time appointed for the Meeting a quorum be not present, the Meeting, if convened upon the requisition of or by Members, shall be dissolved. In any other case it shall stand adjourned to such day in the next week, and to such place as may be appointed by the Chairman.

58. At any adjourned Meeting, the Members present in person or represented by proxy and entitled to vote, whatever their number, shall have power to decide upon all matters which could properly have been disposed of at the Meeting from which the adjournment took place.

59. The Chairman of the Board, or in his absence



the Deputy-Chairman (if any), shall preside as Chairman at every General Meeting of the Company.

Election of a  
Chairman at  
Meeting.

60. If at any General Meeting neither the Chairman nor the Deputy-Chairman be present within a quarter of an hour after the time appointed for holding the Meeting, or if neither of them be willing to act as Chairman, the Directors present shall choose one of their number to act, and if there be no Director chosen who shall be willing to act, the Members present shall choose one of their number to act as Chairman.

Adjournment of  
General Meeting.

61. The Chairman may, with the consent of the Meeting, adjourn any General Meeting from time to time, and from place to place; but save as provided by Section 12 of the Companies Act 1900, with regard to the Statutory Meeting, no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

Business of  
Adjourned  
Meeting.

How questions to  
be decided at  
Meetings.

Casting Vote of  
Chairman.

62. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands, and in case of an equality of votes the Chairman shall, both on a show of hands and at a poll, have a casting vote, in addition to the vote or votes to which he may be entitled as a Member.

Evidence of  
passing of  
Resolution

63. At any General Meeting unless a poll is demanded, a declaration by the Chairman that a Resolution has been passed or lost, and an entry to that effect in the Minute Book of the Company, shall be conclusive evidence of the fact, and in the case of a Resolution requiring any particular majority, that it was passed by the majority required, without proof of the number or proportion of the votes recorded in favour of or against such Resolution.

64. A Poll may be demanded upon any question Poll.  
(other than the election of a Chairman of a Meeting)  
by the Chairman or by not less than two other Members  
present in person or by proxy and entitled to vote, and  
holding together shares of the Company of the nominal  
amount of not less than £5,000.

65. If a Poll is demanded it shall be taken in such How Poll is to be taken.  
manner, at such place, and either immediately or at  
*such other time, within fourteen days thereafter*, as the  
Chairman shall before the conclusion of the Meeting  
direct, and the result of such Poll shall be deemed to  
be the Resolution of the Company in General Meeting.

66. The demand of a Poll shall not prevent the con- Business to proceed notwithstanding the demand of Poll.  
tinuance of a Meeting for the transaction of any business  
other than the question on which a Poll has been  
demanded.

#### 4. VOTES AT GENERAL MEETINGS.

67. On a show of hands, every Member holding  
Ordinary Shares present in person shall have one vote  
only, and on a poll every Member holding Ordinary  
Shares present in person or by proxy, shall have one  
vote for every ten Shares held by him. Unless and  
until the Dividend upon the Preference Shares shall  
have been six months in arrear, the holders of Preference  
Shares shall not be entitled to vote at any Meeting of  
the Company, either personally or by proxy; but in  
the event of the Dividend on the Preference Shares  
being in arrear for six months or upwards, and so long  
as the Dividend thereon is in arrear for more than

six months, every Member present in person holding Preference Shares shall be entitled, on a show of hands, to one vote only, and upon a poll every Member present in person or by proxy holding Preference Shares shall have two votes for every Preference Share held by him.

Proxies permitted. 68. Votes may be given either personally or by proxy.

Votes in respect of Shares of Members of unsound mind. 69. If any Member be of unsound mind, he may vote by his committee, curator bonis, factor, or other legal curator.

Joint holders. 70. If two or more persons be jointly entitled to a Share, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof, as if he were solely entitled thereto, and if more than one of such joint holders be present at any Meeting, either personally or by proxy, that one of such persons so present whose name stands first in the Register of Members in respect of such Share shall alone be entitled to vote in respect thereof.

No Member entitled to vote, etc., while Call due to Company. 71. No Member shall be entitled to be present or to vote, either personally or by proxy, at any General Meeting or upon any Poll, or to exercise any privilege as a Member, unless all Calls or other money due and payable in respect of any Share of which he is a holder have been paid.

Form of Proxy. 72. The instrument appointing a Proxy shall be signed by the party making such appointment, and must be dated, but need not be probative. Where a Corporation is the appointer, the instrument shall be sufficient if purporting to be executed by or on behalf of the Corporation. Proxies may be in such form as the Board may

from time to time approve, or in the form or to the effect following :—

“ I \_\_\_\_\_, of \_\_\_\_\_, being a Member of the AMERICAN MORTGAGE COMPANY OF SCOTLAND, LIMITED, incorporated under the Companies Acts, 1862 to 1900, hereby appoint whom failing \_\_\_\_\_ whom failing \_\_\_\_\_ whom failing \_\_\_\_\_ as my Proxy, to vote for me and on my behalf at the Extraordinary (or Ordinary) General Meeting of the Company, to be held in on the \_\_\_\_\_ day of \_\_\_\_\_ 190\_\_\_\_, at noon, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 190\_\_\_\_ ”

73. No person shall be appointed a Proxy who is not a Member of the Company or otherwise entitled to vote; provided that where a corporation is the Registered holder of Shares of the Company, the Proxy may be any member or officer of such corporation, whether a Member of the Company or not, and such Proxy shall, during the continuance of his appointment, be entitled to attend in person, speak, demand a poll, and vote, at any Meeting in the same way as if he were the holder of the Shares in respect of which he may have been appointed Proxy.

Who may be appointed Proxy.

74. The instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than two clear days before the day for holding the Meeting or any adjourned Meeting at which the person named in such instrument proposes to vote.

When Proxy to be lodged.

## 5. MEETINGS OF CLASSES OF SHAREHOLDERS.

Powers of majority of holders of any class of Shares.

75. The holders of any class of Shares may, by an Extraordinary Resolution when submitted to a meeting of such holders, consent, on behalf of all the holders of Shares of the class, to all or any of the following, namely: (a) the subdivision of the Shares of the class into Shares of a smaller amount, and the giving to one of the Shares resulting from such subdivision any preference or priority over the other in the payment of dividends or the distribution of assets, or otherwise; (b) the issue, creation or conversion of any Shares ranking equally with or having any priority to the class passing such resolution; (c) any scheme for the reduction of the Company's capital affecting the class of Shares, or for distribution of assets in money or in specie, and that either before or during liquidation, and although involving alteration of rights; (d) any alteration, modification, release, or abandonment of the rights of the class against the Company, its property and assets; (e) any compromise or arrangement proposed to be made between the Company and any class or classes of Shareholders or Creditors, provided such compromise or arrangement is one which the Court would, if the Company were in liquidation have power to sanction, under the Joint Stock Companies Arrangement Act 1870, and the Companies Act, 1900; and such Resolution shall be binding upon all the holders of Shares of the class, whether present or represented at such Meeting or not.

How Meeting for purpose of preceding clause to be convened and conducted.

76. Any Meeting for the purpose of the last preceding clause shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided

that no Member, not being a Director, Solicitor, or Officer of the Company, shall be entitled to notice thereof, or to attend thereat, unless he be a holder of Shares of the class intended to be affected by the resolution, and that no vote shall be given except in respect of a Share of that class, and that the quorum at any such Meeting shall be Members holding or representing by Proxy one-tenth of the issued Shares of that class, and if at any adjourned Meeting of such holders a quorum is not present, those members who are then present or represented shall be a quorum, and that at any such Meeting a poll may be demanded by any five Members present in person or by Proxy, and entitled to vote at the Meeting.

#### IV.—BORROWING.

77. The Company may from time to time borrow, and re-borrow money, and may issue Bonds, Mortgages, Debentures, Bonds of Annuity, Annuity Certificates, or other securities or acknowledgments therefor, either issued in the name of the lender or payable to bearer, founded or based on the credit of the Company or secured upon all or any of its property, assets or revenue, including future Calls on the Shareholders, and terminable, redeemable, or perpetual, and upon such terms as to priority or otherwise as the Company shall think fit, and for such purpose may dispoise, mortgage, pledge, or charge the whole or any part of the property, assets, or revenue of the Company, including future Calls on the Shareholders, or may transfer or convey the same absolutely to or in trust for the lenders, and may give the lenders, transferees, or trustees powers of foreclosure, sale, and management and such other powers, authorities, and such privileges

Power to borrow.

and exemptions as they may in their discretion think reasonable or necessary; and in the case of future Calls may make such arrangements and give such powers as may be deemed necessary and proper for making any mortgage of or charge or security upon such Calls effectual, provided always that the total amount so borrowed and outstanding shall not without the consent of the Company in General Meeting exceed £200,000 or the amount of the issued capital for the time being, whichever of these is the larger amount.

Extent of  
borrowing power

Power to create  
and issue  
Debenture Stock.

78. The Company may from time to time raise all or any part of the money which, for the time being, they have raised or are authorised to raise, by borrowing under and in terms of the provisions of these presents, by the creation and issue at such times, in such amounts and manner, on such terms, and subject to such conditions and with such rights and privileges as the Company thinks fit, of a security to be called Debenture Stock, and may attach to the stock so created and issued such interest payable half-yearly or otherwise, and commencing at once or at any future time or times, when and as the Debenture Stock is issued, or otherwise, as the Company thinks fit.

Debenture  
Stock may be ir-  
redeemable or  
redeemable.

79. The Debenture Stock shall be either irredeemable or redeemable as shall be determined by the Resolution of the Board creating such Stock, and shall be issued on such terms and conditions as may be thereby determined.

Interest Coupons  
on Bonds, etc.

80. The Company may, if they think fit, annex to or issue with any of their Bonds, Debentures, or Mortgage Debentures, or with any other acknowledgment of loan, coupons for interest, in such form as they think fit, so that

every coupon shall refer to the Bond, Debentures, or Mortgage Debentures, or other acknowledgment to which it relates, and specify the amount and time of payment of the interest to fall due on the principal money secured by the Bond Debenture or Mortgage Debenture, or other acknowledgment.

81. The Board shall cause a proper register of all Mortgages and Charges specifically affecting property of the Company to be kept in terms of the Companies Act, 1862, section 43.

Register of Mortgages and Charges.

82. The Company shall not be affected by any trust to which any Bond, Debenture, or other acknowledgment of debt or the interest thereon may be subject, and that whether the Company have registered or had notice of such trust or not; and the Company shall not be bound to see to the execution thereof, or to see to the application of the monies subject thereto, or to require the consent of the beneficiaries under such trust, to any discharge, assignation or other deed or writing dealing with such Bond Debenture, or other acknowledgment of debt or interest.

Company not to be affected by any trust to which Bonds, etc., may be subject.

## V.—MANAGEMENT.

### I. NUMBER AND APPOINTMENT OF DIRECTORS.

83. The number of Directors shall not be less than three, nor more than seven.

Number of Directors.

84. The Company may from time to time in General

Power to increase or reduce.



Meeting, and within the limits hereinbefore provided, increase or reduce the number of Directors then in office, and upon passing any Resolution for an increase, may appoint the additional Director or Directors necessary to carry the same into effect, and may also determine in what rotation such increased or reduced number is to go out of office, but this Article shall not be taken to authorise the removal of a Director.

If number of Directors less than minimum.

85. Notwithstanding any vacancies in the Board the continuing Directors, or Director if only one, may act. Provided that if the number of the Board be less than the prescribed minimum, the remaining Directors or Director shall forthwith appoint an additional Director or Directors to make up such minimum or convene a General Meeting of the Company for the purpose of making such appointment.

Casual vacancy.

86. The Board shall have power at any time and from time to time to appoint any other person as a Director either to fill a casual vacancy or as an addition to the Board (but so that the total number of Directors shall not at any time exceed the maximum number fixed as above), but any Director so appointed shall hold office only until the next following Ordinary General Meeting of the Company, and shall then be eligible for re-election.

Election of Director other than first or retiring Director or Director appointed by Board.

87. No person other than a retiring Director shall be elected a Director (except as a first Director or a Director appointed by the Board), unless notice of the intention to propose him, together with a writing by himself of his willingness to be elected, shall have been left at the Registered Office of the Company four clear days prior to the day of the meeting at which he is to be proposed for election.

88. The first Directors shall be John Campbell, First Directors. Solicitor, Supreme Courts, Edinburgh; George Dunlop, Writer to the Signet, Edinburgh; John Campbell Lorimer, King's Counsel, Edinburgh; David Lyell, Writer to the Signet, Edinburgh; and Patrick Murray, Writer to the Signet, Edinburgh.

## 2. QUALIFICATION AND REMUNERATION OF DIRECTORS.

89. The qualification of a Director shall be the holding Qualification. of Ordinary or Preference Shares of the Company of the nominal amount of not less than £500, and if not already qualified he shall obtain his qualification within two months from the date of his appointment.

90. A Charge of one half of one per cent. on the first Remuneration of Directors, and Expenses of Management. £500,000 of paid-up capital, Debentures and Debenture Stock issued, and one quarter of one per cent. on all subsequent issues of capital, Debentures and Debenture Stock shall in each year be set aside and be received by the Directors, and shall be applied by them in payment of their remuneration, office rent, and all salaries in this country.

## 3. POWERS OF DIRECTORS.

91. The business of the Company shall be managed General powers. by the Board, who may pay all expenses of and incidental to the formation, registration, and advertising of the Company, and the issue of its Capital. The Board may exercise all the powers of the Company, subject, nevertheless, to the provisions of any Acts of Parliament and of

these Articles, and to such regulations (being not inconsistent with any such provisions or these Articles) as may be prescribed by the Company in General Meeting, but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been valid if such regulations had not been made.

Special powers.

92. Without prejudice to or restriction of the generality of the foregoing powers, the Board may do the following things:—

- (a) Establish Local Boards, local managing or consulting Committees, or local Agencies in the United Kingdom or abroad, and appoint any one or more of their number, or any other person or persons to be Members thereof, with such powers and authorities, under such regulations, for such period and at such remuneration as they may deem fit, and may from time to time revoke any such appointment.
- (b) Appoint any Company or Corporation, or any person or persons, whether a Director or Directors of the Company or not, to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes, and execute and do all such instruments and things as may be requisite in relation to any such trust. To take title to any property or assets acquired by the Company in name of any Company, Corporation, person, or persons, or to allow any property or assets so acquired to remain in the name of the Company or person from whom acquired, upon declaration of trust granted by said Company or person, that they hold same for account and to order of the

Company and without prejudice to the foregoing to allow the whole or any part of the assets to be acquired under the Agreement mentioned in Article 4 hereof, to remain in name of the American Mortgage Company of Scotland Limited, incorporated 1877, or the Liquidator thereof, to be held by them or him in trust, and to the order of the Company.

- J.M.* the
- (c) Make, draw, accept, endorse, and negotiate respectively promissory notes, bills, cheques, or other negotiable instruments, provided that every promissory note, bill, cheque, or other negotiable instrument drawn, made, or accepted, shall be signed by such person or persons as the Board may appoint for the purpose.
  - (d) Grant to any Director required to go abroad or to render any other extraordinary service, such special remuneration for the services rendered as they think proper.
  - (e) Affix the Common Seal to any document, provided that such document be also signed by two Directors, or by one Director and the Secretary or other officer appointed for that purpose by the Board.
  - (f) Exercise the powers of "The Companies Seals Act 1864," which powers are hereby given to the Board.
  - (g) Make, alter and repeal regulations and bye-laws in connection with the conduct of the Company's business, provided that any bye-law or regulation shall not be made under this power which would amount to such an addition to or alteration on these Articles as could only legally be made by a Special Resolution passed

and confirmed in accordance with Sections 50 and 51 of the Companies Act 1862.

- (h) Appoint from time to time a President of the Company, and also a Vice-President, who, in the absence of the President, may act in the President's name and place as President of the Company. All Deeds, Powers of Attorney, Instruments, and other Documents requiring, according to the law of any State, Country, Province, or Dominion, to be subscribed or executed on behalf of the Company by the President of the Company alone, or in conjunction with the Secretary of the Company, may be so subscribed and executed on behalf of, and so as to bind the Company, by the President or Vice-President appointed as aforesaid, and by the Secretary of the Company where his subscription is also necessary.

#### 4. PROCEEDINGS OF DIRECTORS.

Meetings of Board, Quorum, etc.

93. The Board may meet together for the despatch of business, adjourn and otherwise regulate their Meetings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise fixed the quorum shall be two Directors.

Meetings at request of Directors.

94. Any Director may, and the Secretary on the request of any Director shall at any time summon a Meeting of the Board. It shall not be necessary to give notice of a Meeting to any Director for the time being abroad.

How questions to be decided.

95. Questions arising at any Meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

96. The Board may elect a Chairman and Deputy-Chairman of their Meetings, and determine the period for which they are to hold office, but if no such Chairman or Deputy-Chairman be elected, or if neither the Chairman nor the Deputy-Chairman (if any) be present at the time appointed for holding a Meeting, the Directors present shall choose some one of their number to be Chairman of such Meeting.

Chairman and  
Deputy-Chairman.

97. The Board may appoint Committees, consisting of such Member or Members of their body as they think fit, and delegate to such Committees any of their powers, other than the powers to borrow and make Calls, and determine and regulate the quorum, duties and proceedings of such Committees. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.

Committees.

98. Subject to the immediately preceding Article, the Meetings and proceedings of any such Committee consisting of two or more Members, shall be conducted in accordance with the provisions herein contained as to the Meetings and proceedings of the Board. Every Committee shall keep Minutes of its proceedings, and report them from time to time to the Board.

Meetings and  
proceedings of  
Committee.

99. All acts done by any Meeting of the Board or of a Committee of the Board, or by any person acting as Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. A Resolution in writing, signed by all the Directors for the time being in the United Kingdom, shall be as effective as a Resolution passed at a Meeting of the Board duly convened and held.

Acts of Board or  
Committees valid  
notwithstanding  
defective  
appointment.

## 5. MINUTES.

Minutes.

100. The Board shall cause Minutes to be made, in books provided for the purpose, of all Resolutions and proceedings of General Meetings and of Meetings of the Board or Committees of the Board, and any such Minutes, if signed by any person purporting to be the Chairman of the Meeting to which they relate, or at which they are read, shall be received as sufficient evidence, without any further proof, of the facts therein stated.

## 6. SECRETARY.

Secretary.

101. Douglas Murrie, C.A., Edinburgh, shall be the first Secretary of the Company.

## 7. MANAGING DIRECTOR.

Managing Director.

102. The Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may from time to time remove or dismiss him or them from office and appoint another or others *in his or their place or places*.

Retirement and remuneration of Managing Director.

103. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation; but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company. The remuneration of a Managing Director shall from time to time be fixed by the Board, and may be by way of salary or commission or participation in profits or by any or all of these modes and may be in addition to or in substitution for his remuneration as an Ordinary Director.

104. The Board may from time to time entrust to and confer upon a Managing Director for the time being, such of the powers exercisable under these presents by the Board as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they may think expedient; and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter, or vary all or any of such powers.

Delegation of Powers to Managing Director.

#### 8. DISQUALIFICATION OF DIRECTORS.

105. The office of Director shall *ipso facto* be vacated—

When office of Director to be vacated.

- (a) If, without the sanction of a General Meeting, he hold any office or place of profit under the Company other than herein authorised.
- (b) If he become of unsound mind, or bankrupt, or compound with his creditors.
- (c) If he do not within two months from the date of his appointment obtain his qualification, or if after the expiration of such period he cease at any time to hold his qualification. A person vacating office under this sub-clause shall be incapable of being reappointed a Director of the Company, unless he has obtained his qualification.
- (d) If he send in a written resignation to the Board.
- (e) If he be absent from the Board Meetings continuously for six months without the consent of the Board.



Directors may contract with the Company.

106. A Director, either individually or as a member of a firm, company or corporation, may contract with the Company or be interested in any operation, undertaking, or business undertaken or assisted by the Company or in which the Company is interested, and may derive and retain for his own use any profits resulting therefrom, provided the nature and extent of his interest be disclosed by him to the Board. A Director may be Solicitor, Broker, or Actuary of the Company without prejudice to his right to charge for his services as such Solicitor, Broker, or Actuary. A Director shall not be disqualified to act as a Director by reason of his being so interested, employed or appointed, but he shall not vote on any matters relating to any operation, undertaking or business in which he is so interested, provided always that this prohibition against voting shall not apply to the Agreement mentioned in Article 4, or to any matters arising thereout.

#### 9. RETIREMENT AND REMOVAL OF DIRECTORS.

Rotation and Retirement of Directors.

107. At the Ordinary General Meeting in the year 1907, and at the Ordinary General Meeting in every subsequent year, one-fourth of the Directors for the time being, or if their number be not a multiple of four, then the number nearest to one-fourth, shall retire from office. A Managing Director shall not, while he continues to hold that office, be subject to retirement under this clause, or be taken into account in ascertaining the number of Directors to retire.

Selection.

108. The Directors to retire shall be those who have been longest in office. In case of equality in this respect, the Directors to retire, unless they agree amongst themselves, shall be determined by ballot.

109. A retiring Director shall be eligible for re-election. Retiring Director eligible.

110. The Company at the General Meeting at which any Directors shall retire, shall, subject to any Resolution reducing the number of Directors, fill up the vacated offices by appointing a like number of persons. Vacancies to be filled up by General Meeting.

111. If, at any Meeting at which Directors ought to be elected the places of any retiring Directors are not filled up, then, subject to any Resolution reducing the number of Directors, the retiring Directors or such of them as have not had their places filled up and may be willing to act shall be deemed to have been re-elected. When places of retiring Directors not filled up.

112. The Company in General Meeting may, by an Extraordinary Resolution, remove any Director before the expiration of his period of office, and may, by an Ordinary Resolution, appoint another person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. Removal of Directors.

#### 10. INDEMNITY OF DIRECTORS, ETC.

113. Every Director, Officer, or Servant of the Company shall be indemnified out of its funds against all costs, charges, expenses (including travelling expenses incurred in attending Board Meetings), losses and liabilities incurred by him in the conduct of the Company's business, or in the discharge of his duties; and no Director or Officer of the Company shall be liable for the acts or omissions of any other Director or Officer, or by reason of his having joined in any receipt for money not received by him personally, or for any loss on account of defect of title to any property acquired by the Company, or on account Indemnity.  
Individual responsibility of Directors.

of the insufficiency of any security in or upon which any monies of the Company shall be invested, or for any loss incurred through any Banker, Broker, or other Agent, or upon any ground whatever other than his own wilful acts or defaults.

## VI.—ACCOUNTS AND DIVIDENDS.

### I. ACCOUNTS.

Accounts to be kept.

114. The Board shall cause accounts to be kept of the assets and liabilities, receipts and expenditure, of the Company.

Inspection of Books, etc., by Members.

115. The Books of Account shall be kept at the Registered Office of the Company, or at such other place or places as the Board think fit. Except by the authority of the Board, or of a General Meeting, no Member shall be entitled as such to inspect any books or papers of the Company, other than the Registers of Members and of Mortgages.

Balance Sheet.

116. At the Ordinary General Meeting in every year (after the Statutory Meeting), the Board shall submit to the Members a Balance Sheet, made up to as recent a date as practicable, and audited as hereinafter provided, accompanied by a Report from the Board on the transactions of the Company during the period covered by such accounts.

Copy to be sent to Members.

117. A printed copy of an abstract of such Balance-sheet and report shall, seven days previously to the Meeting, be sent to the Members in the manner in which notices are hereinafter directed to be served.

## 2. AUDIT.

118. Once at least in every year after the year in which the Company is incorporated, the accounts of the Company shall be examined, and the correctness of the Balance Sheet ascertained by an Auditor or Auditors. Accounts to be audited annually.

119. The Company shall at each Ordinary General Meeting appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting, and the following provisions of the Companies Act 1900 shall have effect:— Auditors.

- (1) If an appointment of Auditors is not made at an Ordinary General Meeting, the Board of Trade may, on the application of any Member of the Company, appoint an Auditor of the Company for the current year, and fix the remuneration to be paid to him by the Company for his services.
- (2) A Director or Officer of the Company shall not be capable of being appointed Auditor of the Company.
- (3) The first Auditors shall be appointed by the Directors before the Statutory Meeting, and, if so appointed, shall hold office until the first Ordinary General Meeting, unless previously removed by a Resolution of the Shareholders in General Meeting, in which case the Shareholders at such Meeting may appoint Auditors.
- (4) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act.
- (5) The remuneration of the Auditors shall be fixed by the Company in General Meeting, except

that the remuneration of any Auditors appointed before the Statutory Meeting, or to fill any casual vacancy, may be fixed by the Directors.

- (6) Every Auditor shall have a right of access at all times to the books and accounts and vouchers of the Company, and shall be entitled to require from the Directors and Officers of the Company *such information* and explanation as may be necessary for the performance of the duties of the Auditors, and the Auditors shall sign a certificate at the foot of the Balance-sheet stating whether or not all their requirements as Auditors have been complied with, and shall make a report to the Members on the accounts examined by them, and on every Balance Sheet laid before the Company in General Meeting during their tenure of office; and in every such report shall state whether in their opinion the Balance Sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the Books of the Company and such report shall be read before the Company in General Meeting.

### 3. RESERVE FUND.

Reserve Fund.

120. The Board may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a Reserve Fund, to meet loss, depreciation or contingencies, or for special dividends or bonuses, or for equalising dividends, or for repairing or maintaining any property of the Company, or for such other purposes as the Board may

think conducive to the objects of the Company, or any of them, and the same may be applied accordingly from time to time in such manner as the Board shall determine; and the Board may, without placing the same to reserve, carry over any profits which they think it not prudent to divide.

121. The Board may invest the sums so set aside for reserve in such investments (other than Shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and divide the Reserve Fund into such special funds as they think fit, with full power to employ the assets constituting the Reserve Fund in the business of the Company, and without being bound to keep the same separate from the other assets.

Investment and disposal of Reserve Fund.

#### 4. DIVIDENDS.

122. The Company in General Meeting may declare a Dividend to be paid to the Members according to their rights and interests in the profits, but no larger Dividend shall be declared than is recommended by the Board.

Dividends.

123. Subject to any priorities that may be given upon the issue of any Shares, the profits of the Company available for distribution shall be distributed as Dividend among the Members in accordance with the amounts for the time being paid or credited as paid up on the Shares held by them respectively, other than amounts paid in advance of Calls.

Distribution of Dividend.

124. When in the opinion of the Board the position of the Company permits, Interim Dividends may be paid to the Members on account of the dividend for the then current year.

Interim Dividends.

Deduction from  
Dividends of sums  
due by Members.

125. The Board may deduct from the Dividends (or interest) payable to any Member all such sums of money as may be due from him to the Company on account of Calls or otherwise.

To whom payable.

126. All Dividends and interest shall belong and be paid (subject to the Company's lien) to those Members who shall be on the Register at the date at which such Dividend shall be declared or at the date on which such dividend or interest shall be payable respectively, notwithstanding any subsequent transfer or transmission of Shares.

Receipts for  
Dividends.

127. If several persons are registered as joint holders of any Share, any one of such persons may give effectual receipts for all Dividends and interest payable in respect thereof.

Dividend not to  
bear interest.

128. No Dividend shall bear interest as against the Company.

## VII.—NOTICES.

How Notices to  
be served on  
Members.

129. A Notice may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address.

Members resident  
abroad.

130. Any Member residing out of the United Kingdom may name an address within the United Kingdom at which all Notices shall be served upon him, and all Notices served at such address shall be deemed to be well served. If he shall not have named such an address he shall not be entitled to any Notices.

When Notice by  
post deemed to be  
served.

131. Any Notice, if served by post, shall be deemed to have been served on the day on which it was posted,

and in proving such service it shall be sufficient to prove that the Notice was properly addressed and posted.

132. All Notices directed to be given to the Members shall, with respect to any Share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Members, and Notice so given shall be sufficient notice to all the holders of such Shares.

Notice to joint holders.

133. Every executor administrator committee or trustee in bankruptcy or liquidation shall be absolutely bound by every notice so given as aforesaid if sent to the last registered address of such Member, notwithstanding that the Company may have notice of the death, lunacy, bankruptcy, or disability of such Member.

Notice valid though Member deceased.

134. All Notices shall be deemed to have been served upon the holders of Share Warrants if they shall have been advertised once in an Edinburgh daily newspaper, and the Company shall not be bound to serve any notice on the holders of Share Warrants in any other manner.

Notices to holders of Share Warrants.

## VIII.—WINDING UP.

135. The Liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may, with the authority of a Special Resolution, divide among the contributories in kind the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between Members or classes of Members.

Distribution of Assets.



Liquidator may  
sell Assets for  
Shares, etc., of  
another Company.

136. The Liquidator on any winding-up of the Company (whether voluntary or under supervision, or compulsory) may, with the authority of a Special Resolution, sell the undertaking of the Company, or the whole or any part of its assets, wholly or partially, for the Shares, fully or partly paid up, Debentures, Debenture Stock, or other Obligations of, or other Interest in, another Company either then already constituted or about to be constituted for the purpose of carrying out the Sale; and such Liquidator, or, in the case of a Sale by the Board under the powers given by these Articles, the Board, may by the Contract of Sale agree so as to bind all the Members for the allotment to the Members direct of the proceeds of Sale in proportion to their respective Interests in the Company; or, in case the shares of this Company shall be of different classes, may agree for the allotment in respect of Preference Shares in this Company, of obligations of the purchasing Company, or of Shares of the purchasing Company, with any preference or priority over, or, with a larger amount paid up than, the Shares allotted in respect of Ordinary Shares of this Company, or partly of any such obligations, and partly of any such Shares, or may distribute the proceeds of Sale in any other manner as between any two or more classes of Shareholders, and may in such distribution have regard to the market value or any preferential right of any class of Shares in the Company, and may further by the contract fix a time at the expiration of which obligations or Shares not accepted (or required to be sold) shall be deemed to have been irrevocably refused, and shall be at the disposal of the Company. Provided that no such distribution as mentioned in these Articles shall be made otherwise than in accordance with the rights hereinbefore in these Articles contained of the several classes of Shareholders unless authorised by an Extraordinary Resolution of a Meeting of each class affected, or an Order of the Court sanctioning

such distribution under Section 2 of the Joint Stock Companies Arrangement Act 1870, as amended by Section 24 of the Companies Act 1900.

137. Upon any Sale by the Company in pursuance of a contract entered into before liquidation under the powers given by the Memorandum of Association, no Member shall be entitled to require the Board (or a Liquidator if and when appointed) either to abstain from carrying into effect the Sale or the Resolution (if any) authorising the same, or to purchase his interest in this Company; provided that any interest not accepted by a Member or Members may be sold by the Board or Liquidator if it or he shall think fit, and be paid over to such Member, if only one or be distributed among such Members, if more than one rateably.

Non-assenting Member not entitled to prevent Sale or require his interest to be purchased.

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NAMES, ADDRESSES, AND DESCRIPTIONS OF SUBSCRIBERS.

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JOHN CAMPBELL, S.S.C., 36 Castle Street, Edinburgh.  
 ALFRED SHEPHERD, W.S., 63 Castle Street, Edinburgh.  
 GEORGE DUNLOP, W.S., 20 Castle Street, Edinburgh.  
 HOLMES IVORY, W.S., 6 Albyn Place, Edinburgh.  
 PATRICK MURRAY, W.S., 43 Castle Street, Edinburgh.  
 D. LYELL, W.S., 39 Castle Street, Edinburgh.  
 HENRY INGLIS LINDSAY, W.S., 16 Queen Street, Edinburgh.

Dated this <sup>22<sup>nd</sup></sup> ~~Twenty-second~~ day of June <sup>1906</sup> ~~Nineteen~~  
~~hundred and Six.~~ *km*

Witness to the above Signatures. *km*

WILLIAM SHEARER, 63 Castle Street, Edinburgh,  
*Law Clerk.*

I, Sir Kenneth Mackenzie, Baronet, Registrar of Joint Stock Companies in Scotland, a part of the United Kingdom of Great Britain and Ireland, and as such legal keeper of the original Memoranda and Articles of Association of such Companies, hereby certify that what is contained on the 55 preceding pages is a full and correct copy of the Memorandum and Articles of Association of the American Mortgage Company of Scotland Limited, as the same are on file in my office.

Given under my hand and the seal of my office this tenth day of July in the year Nineteen Hundred and seven.

(SEAL)

Kenneth Mackenzie  
Registrar

United Kingdom of Great Britain and Ireland,  
City of Edinburgh, Scotland.

I hereby certify that Sir Kenneth Mackenzie, Baronet, whose true signature and official seal appear to his foregoing certificate was at the time when he executed the said Certificate, Registrar of Joint Stock Companies in Scotland, duly appointed and commissioned and that all his acts and attestations as such officer are entitled to full faith and credit.

In Testimony Whereof I hereunto set my hand and Notarial Seal this thirteenth day of July in the year Nineteen hundred and seven.

(SEAL)

H. Inglis Lindsay  
Notary Public