

Company No 814782

THE COMPANIES ACTS 1948 TO 1981

and

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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MEMORANDUM AND

ARTICLES OF ASSOCIATION

of

DONALD DUNCAN (INSURANCE BROKERS) LIMITED

(Incorporated the 6th day of August 1964)

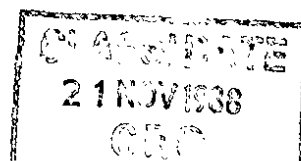
Draft: (1)

Date: 14.11.88

Ref: B/DDIB MEM & ARTS/MVG01

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

-of-

DONALD DUNCAN (INSURANCE BROKERS) LIMITED

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1. The name of the Company is "DONALD DUNCAN (INSURANCE BROKERS) LIMITED".
2. The Registered Office of the Company will be situate in England.
3. The objects for which the Company is established are:-
  - (a) (1) To carry on business as insurance brokers and agents in respect of all classes of insurance, including aviation and aircraft risks of all kinds, fire, marine, life, accident, burglary, workmen's compensation, indemnity, motor, plate glass, live stock, fidelity and boiler insurance.
  - (2) To act as estate agents, business and general transfer agents, surveyors, assessors, valuers and salvage and average adjustors.
  - (3) To negotiate and arrange mortgages, loans and advances, partnerships, and the sale and purchase of businesses or shares therein and properties of all kinds.
- (b) To carry on any other business, whether subsidiary or not, which can in

the opinion of the Company be carried on conveniently or advantageously in connection with the business of the Company.

- (c) To acquire and undertake upon such terms as the Company shall deem expedient the whole or part of the undertaking, assets or liabilities of any person or body owning any business within the objects of the Company, or whose business, or any part of whose business, may conveniently or advantageously be combined with the business of the Company, or any of whose property is suitable for the purposes of the Company.
- (d) To purchase, take on lease, hire or otherwise acquire and hold any lands, hereditaments, buildings, plant, machinery, goods, chattels, or real or personal property of any kind, or any right or interest therein or thereover (and whether in possession or reversion or remainder (which the Company may think desirable in connection with its business.
- (e) To acquire in such manner and upon such terms as the Company shall think fit, secret processes, inventions, patents, copyrights, designs or trade marks or any interest therein, the acquisition of which shall seem beneficial to the Company.
- (f) To construct, alter, remove or replace any buildings, erections, structures, roads, railways, reservoirs, machinery, plant or tools, or works of any description, or to contribute to the costs thereof, as may seem desirable in the interests of the Company.
- (g) To enter into partnership or amalgamate with any person or body for the purpose of carrying on any business or transaction within the objects of the Company, and to enter into such arrangements for co-operation, sharing profits, losses, mutual assistance, or other working arrangements as may seem desirable.
- (h) To manage, develop, sell, lease, mortgage, grant licences or rights of, in, or over, or otherwise turn to account, any property or assets of the Company.
- (i) To borrow or raise money in such amounts and manner and upon such terms as the Company shall think fit, and, when thought desirable, to execute and issue security and payment in such place and manner, and to such person, as the Company shall think fit, including in the power aforesaid

(and without prejudice to its terms) the power to issue as primary, or collateral, or other security, debenture stock (perpetual or otherwise), mortgages, charges or securities over the whole or any part of its assets, present or future (including uncalled capital), as the Company shall think fit.

- (j) To receive loans at interest or otherwise, from and to lend money and give credit to, and to guarantee and become or give security for the performance of contracts by, and act as bankers for, any person or company, where the so doing may seem advantageous or desirable in the interests of the Company.
- (k) To invest, lend, or otherwise deal with unemployed moneys, in such manner, and upon such terms, as may be thought fit, and to vary investments.
- (l) To acquire and hold, sell, mortgage, or deal with the shares, stock, bonds, debentures or securities of or in any other company or body (whether such Shares or securities be fully paid or not) where the so doing may seem desirable in the interests of the Company.
- (m) To draw, accept, endorse, issue, or execute promissory notes, bills of exchange, bills of lading, warrants, and other negotiable transferable, or mercantile instruments.
- (n) To promote any company to acquire the whole or any part of the assets or liabilities of this Company, or for any other purpose which may seem desirable in the interests of this Company, and to subscribe, acquire, underwrite, or place, or assist in so doing the whole or part of the Shares or securities of such Company.
- (o) To pay gratuities or pensions or allowances on retirement to any directors who have held any other salaried office or place of profit with the Company or to their widows or dependants and to make contributions to any fund and to pay premiums for the purchase or provision of any such gratuity, pension or allowance and to promote or assist, financially whether by way of contributions, donations, the payment of premiums or otherwise, any fund or scheme for the benefit, wholly or in part, of directors, ex-directors, or employees, or ex-employees, of the Company, or their dependants or relatives, or for charitable purposes generally.

- (p) To remunerate employees and servants of the Company and others out of or in proportion to the returns or profits of the Company or otherwise as the Company shall think fit; and to promote and give effect to any scheme or arrangement for sharing profits with employees, whether involving the issue of shares or not.
- (q) To pay for any property or assets acquired by the Company by the issue of fully or partly paid Shares of the Company, with or without any preferred or special rights or privileges, or by the issue of debentures or other securities, with or without special rights or privileges.
- (r) To pay the costs and expenses of or incidental to the promotion and establishment of the Company, or to contract for the payment of the same in whole or in part by others.
- (s) To aid, financially or otherwise, any association or body having for an object the promotion of trade or industry.
- (t) To act as or through trustees, agents, secretaries, managers, brokers or sub-contractors, and to perform the duties of any office undertaken by the Company.
- (u) To sell or otherwise dispose of the undertaking and assets of the Company, or any part thereof, for any consideration thought fit, and in particular for Shares, debentures or other securities of other companies.
- (v) To procure the Company to be registered or recognised in any overseas country or place, and to exercise any of the objects or powers aforesaid in any part of the world.
- (w) To distribute among the Members any assets of the Company in specie, but so that no such distribution which would amount to a reduction of capital shall be made without such sanction (if any) as may be required by law.
- (x) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.
- (y) The objects set forth in any sub-clause of this clause shall not except where the context so requires, be limited or restricted by reference to or inference from any other sub-clause or by the name of the Company, and

none of such sub-clauses shall be deemed to be subsidiary merely to the first or any other sub-clause, but the objects specified in each sub-clause shall, except where the context otherwise requires be deemed to be main objects of the Company.

4. The liability of the Members is limited.
- 5.\* The Share Capital of the Company is £100 divided into One Hundred Shares of One Pound each. Subject and without prejudice to any special rights or privileges for the time being attached to any special class of issued shares any of the shares in the original capital of the Company for the time being unissued, and any new Shares from time to time created, may be issued with any preference, whether in respect of dividend or of repayment of capital, or both, or with any other special privilege or advantage over any other Shares previously issued, or then about to be issued, and with any special or restricted rights and without any right of voting or otherwise, and generally on such terms and subject to such conditions and provisions as may from time to time be determined by the Company, and if at any time the capital of the company shall be divided into Shares of different classes, the rights attached to any class shall not be varied except in accordance with the provisions of Clause 4 of Part I of Table "A" in the First Schedule to the Companies Act 1948.

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\* By Ordinary Resolution passed on the 7th October 1965, the Share Capital was increased to £5,000 divided into 5,000 Shares of £1 each.

By Ordinary Resolution passed on the 18th December 1984 the authorised Share Capital of the Company was increased by the creation of an additional 25,000 Ordinary Shares of £1 each and further increased by the creation of 7,500 Cumulative Convertible Participating Preferred Ordinary Shares of £1 each.

By a Special Resolution passed on the 18th May 1988 the authorised share capital of the Company was increased to £38,961 by the creation of 1,461 Cumulative Convertible Participating Preferred Ordinary Shares of £1 each.

By Ordinary Resolution passed on the 31st October 1988 the authorised share capital of the Company was increased to £42,857 by the creation of 3,000 Ordinary Shares of £1 each and 896 Cumulative Convertible Participating Preferred Ordinary Shares of £1 each.

WE the several persons whose names, addresses and descriptions 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.

Name, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
STANLEY H LUCAS 6 Surrey Street Strand London WC2	One
Law Stationer	
FRANCIS A DEAN 6 Surrey Street Strand London WC2	One
Traveller	

Dated the 29th day of June 1964

Witness to the above Signatures:-

G HIGGINS  
282 Kingston Road  
New Malden  
Surrey

Secretary

No 8147C2

THE COMPANIES ACTS 1948 to 1981  
and  
THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION  
-of-  
DONALD DUNCAN (INSURANCE BROKERS) LIMITED

(As altered by Special Resolutions passed on the 2nd November 1973,  
18th December 1984, 18th May 1988 and 31st October 1988)

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Preliminary

1. Subject as hereinafter provided, the regulations in Table "A" (Part I) in the First Schedule to the Companies Act 1948 shall apply to the Company (and such Table is hereinafter referred to as Table "A") excluding regulations 4, 5, 40 to 43 inclusive, 62, 79 and 114 to 117 inclusive.

Income, Capital and Conversion

2. The authorised share capital of the Company at the date of the adoption of this Article is £42,857 divided into 9,857 Cumulative Convertible Participating Preferred Ordinary Shares of £1 each ("the CCPPO Shares") and 33,000 Ordinary Shares of £1 each.

The rights attaching to the said respective classes of shares shall be as follows:-



(A) As regards income:-

(1) The profits of the Company in respect of any financial year shall be applied:-

(a) from the date of adoption of this Article up to and including 29th June 1990 in paying to the holders of the CCPPO Shares as a class in respect of each financial year of the Company and cumulative preferential net cash dividend (hereinafter in these Articles referred to as 'the participating preference dividend') of a sum equal to 4.75% of the Adjusted Net Profit (as hereinafter defined) of the Company and its subsidiaries for the relevant financial year.

From 30th June 1990 the participating preference dividend defined above shall be a sum equal to 5.75% of the Adjusted Net Profit for the relevant financial year. The participating preference dividend (if any) shall be paid not later than 10 months after the end of each successive accounting reference period of the Company or not later than 14 days after the annual general meeting which the audited accounts of the Company for the relevant financial year are presented, whichever is earlier.

(2) Subject to payment of the participating preference dividend, the profits which the Company may determine to distribute in respect of any financial year shall be applied:

(a) in paying to the holders of the Ordinary Shares a dividend for such year on each Ordinary Share of an amount up to but not exceeding the aggregate amount of the participating preference dividend on each CCPPO Share for such year;

(b) and subject thereto, the balance of the said profits determined to be distributed by way of dividend shall be distributed amongst the holders of the CCPPO Shares and the Ordinary Shares (pari passu as if the same constituted one class of share) according to the amounts paid up or credited as paid up on the CCPPO Shares and the Ordinary Shares held by them respectively.

(3) The expression "Adjusted Net Profit" where used in this Article shall mean the net profit of the Company, or if the Company has any subsidiaries during any financial year, the consolidated net profit of the Company and its subsidiaries for a financial year as shown (to the nearest pound) in the audited profit and loss account of the Company or, if the Company has any subsidiaries as aforesaid, in a consolidation of the audited profit and loss accounts of the Company and its subsidiaries for such year subject to the following adjustments:-

- (a) if such account or accounts have not been prepared on the historical cost accounting basis, such adjustments as may be necessary to produce the same result as that which would have resulted if such account or accounts had been prepared on that basis;
- (b) before taking into account any payment in respect of or provision for corporation tax (including advance corporation tax) and any tax which may be imposed on or by reference to profits gains, income or distributions;
- (c) before taking into account any payment in respect of or provision for payment of dividends or other distributions (whether by the Company or any subsidiary of the Company);
- (d) before taking into account any transfer or proposed transfer to reserves;
- (e) before taking into account extraordinary items;
- (f) before taking into account all remuneration, emoluments and pensions paid or payable to or accruing to or for the benefit of each director or former director of the Company or of any of its subsidiaries (and so that for this purpose "emoluments" shall have the same meaning as in Section 196(2) of the Companies Act, 1948 and any amount paid or payable by or any other benefit paid or payable or made available by the Company or any of its subsidiaries to any company, firm or other person in respect of or in connection with the services (whether past,

present or future) of any such director or former director shall be deemed to be emoluments paid or payable to or accruing to or for the benefit of such director or former director).

- (4) In the event of any failure to agree the Adjusted Net Profit for a financial year, then the certificate of either the Auditors of the Company or, in the event that the holders of the CCPPO Shares shall so require, (either before or after a certificate from the Auditors), such other firm of accountants as such holders shall nominate as to the amount of the Adjusted Net Profit shall be conclusive and binding on the Company and the holders of the CCPPO Shares and the Ordinary Shares. In so certifying the Auditors or such other firm of accountants shall:-

(a) in any case where the Auditors report on the audited accounts of the Company of the audited consolidated accounts of the Company and its subsidiaries contains a qualification, be entitled to make, in addition to the adjustments referred to above, such further adjustments as they may in the circumstances consider appropriate; and

(b) be deemed to be acting as experts not as arbitrators and the provisions of the Arbitration Acts 1950 to 1979 (as from time to time amended) shall not apply. The charges of the Auditors or such other firm of accountants of providing any certificates pursuant hereto shall be borne by the Company.

(B) As regards capital:-

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied:-

- (i) first in paying to the holders of the CCPPO Shares an amount per share equal to the subscription price paid for each such share together with a sum equal to any arrears, deficiency or accruals of the participating preference dividend to be calculated down to the date of the return of capital and to be payable irrespective of whether such dividend has been declared or earned or not;

(ii) next, and subject thereto, in paying to the holders of the Ordinary Shares an amount per share up to but not exceeding the amount per share paid to the holders of the CCPPO Shares pursuant to the preceding sub-paragraph (other than in respect of arrears, deficiencies and accruals of dividend);

(iii) subject thereto, the balance of such assets shall belong to and be distributed amongst the holders of the CCPPO Shares and the Ordinary Shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the CCPPO Shares and the Ordinary Shares held by them respectively.

(C) As regards conversion:-

The holders of the CCPPO Shares shall be entitled at any time to convert (on a one for one basis) the whole but not a part only of the CCPPO Shares into Ordinary Shares and the following provisions shall have effect:-

- (i) such conversion shall be effected either by notice in writing signed by the holder or holders of the majority of the CCPPO Shares given to the Company or by an Ordinary Resolution passed at a separate meeting of the holders of the CCPPO Shares, which meeting shall be convened by the Directors forthwith upon the request in writing of the holder of such shares;
- (ii) conversion of the CCPPO Shares into Ordinary Shares shall take effect immediately upon the date of delivery of such notice to the Company or (as the case may be) upon the date on which such resolution is passed (hereinafter called "the date of conversion");
- (iii) forthwith after the date of conversion the holders of the Ordinary Shares resulting from conversion shall send to the Company the certificates in respect of their respective holdings of CCPPO Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares resulting from the conversion;
- (iv) the Ordinary Shares resulting from conversion shall as from the date of conversion rank pari passu in all respects with the remaining

Ordinary Shares in the capital of the Company but conversion shall be without prejudice to the right of the holder or holders of the CCPPO Shares to receive all arrears and accruals of the participating preference dividend calculated down to the date of conversion.

### Class Rights

3. Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively provided that, without prejudice to the generality of this Article, the special rights attached to the CCPPO Shares shall be deemed to be varied:-

- (a) by the calling of a meeting of the Company for the purpose of considering a resolution for any alteration to the Memorandum or Articles of Association of the Company;
- (b) by any alteration or increase or reduction of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of any of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or

- (c) by the sale or transfer of the undertaking, assets or property of the Company or of any of its subsidiaries or any substantial part thereof; and
- (d) by any alteration or relaxation of the restrictions on the powers of the Directors of the Company or any of its subsidiaries to borrow or give guarantee or create any mortgage or charge contained in Article 6 hereof or in the Articles of Association of any subsidiary of the Company; or
- (e) by the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company; or
- (f) by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase any of its shares; or
- (g) by the calling of a meeting of the Company for the purpose of considering a resolution for the winding-up of the Company or any of its subsidiaries.

#### Investors in Industry Group plc

4. Notwithstanding anything to the contrary in these Articles, so long as Investors in Industry Group plc or Investors in Industry plc or any subsidiary of Investors in Industry Group plc or Investors in Industry plc (all or any of such companies being referred to in these Articles as "the 3i Group") is the holder of any share in the capital of the Company then:-

- (a) if the Directors shall determine to make an issue of any shares forming part of the equity share capital of the Company they shall (unless the 3i Group shall otherwise agree in writing) be bound to offer for subscription to the 3i Group such proportion of the shares which the Directors determine to issue as the aggregate nominal value of the shares in the equity share capital of the Company immediately prior to the issue of such shares for the time being held by the 3i Group bears to the total issued equity share capital of the company and such offer to the 3i Group shall be made upon the

like terms and conditions as to payment and otherwise as the issue of the remainder of such shares and so that shares shall be registered in the name or names of such company or companies in the 3i Group as the 3i Group may request;

- (b) a transfer of any shares in the Company from time to time held by the 3i Group may be made from time to time between any of the companies then comprising the 3i Group without restriction as to price or otherwise;
- (c) no sale or transfer of any shares (hereinafter called "the specified shares") conferring the right to vote at General Meetings of the Company shall, if intended to be made to a person not a Member of the Company on the date of adoption of this Article by the Company and which would result if made and registered in a person or persons who was or were not a Member or Members of the Company on that date obtaining a controlling interest in the Company be made or registered without the previous written consent of the 3i Group unless before the transfer is lodged for registration the proposed transferee or transferees or his or their nominee has or have offered to purchase the whole of the shares registered in the name of the 3i Group or its nominees at the specified price as hereinafter defined;
- (d) Section 89(1) of the Companies Act 1985 and Article 8 of these Articles of Association shall not apply to the issue of CCPPO shares to 3i plc pursuant to a share option agreement dated 18th May 1988;
- (e) the Company will not part with control of any company which is a subsidiary of the Company save with the prior written consent of the 3i Group; (for the purpose of this paragraph (e) the Company shall be deemed to part with control if as a result of any transaction or series of transactions or arrangement whether or not involving a transfer of shares in the relevant subsidiary or the issue by such subsidiary of further shares the Company ceases (either directly or indirectly) to be the holder of shares representing at least 51% of the equity share capital of such subsidiary and conferring the right to exercise not less than 51% of the total voting rights exercisable at any general meeting of that subsidiary);

(f) all other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article;

(g) for the purpose of this Article:-

(i) the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment or renounceable share certificate and the original allottee and the renouncee under any such letter of allotment or certificate;

(ii) the expression "a controlling interest" shall mean shares conferring in the aggregate 50% or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings;

(iii) "the specified price" shall mean a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the specified shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the specified shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the specified shares and in the event of disagreement the calculation of the specified price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or its successors) whose decision shall be final and binding;

(iv) the expressions "subsidiary" and "equity share capital" shall have the meaning attached to them respectively by the Companies Act 1948.



### Votes of Members

5. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a representative or proxy not being himself a Member, shall have one vote, and on a poll every Member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every £1 in nominal amount of shares in the capital of the Company of which he is the holder.

### Borrowing Powers

6. Subject as hereinafter provided, the Directors may exercise all the powers of the Company (whether express or implied) (a) of borrowing or securing the payment of money (b) of guaranteeing the payment of money and fulfilment of obligations and the performance of contracts and (c) of mortgaging or charging the property assets and uncalled capital of the Company and issuing debentures but so that:-
- (i) the Directors of the Company shall procure that the aggregate of the amounts for the time being remaining undischarged by virtue of any of the foregoing operations and of the amounts for the time being remaining undischarged by virtue of any like operations by any subsidiary or subsidiaries of the Company (including any liability (whether ascertained or contingent) under any guarantee for the time being in force but excluding inter-company loans, mortgages and charges) shall not at any time without the previous sanction of the holders of the CCPPO Shares given in accordance with the provisions of Article 3 hereof exceed the sum of £20,000;
  - (ii) no such sanction shall be required to the borrowing of any sum of money which is applied in the repayment (with or without premium) of any monies then already borrowed and outstanding, notwithstanding that the same may result in such limit being temporarily exceeded;
  - (iii) no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article is observed and no debt or liability incurred in excess of

such limit or security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded;

- (iv) except with the previous sanction of the holders of the CCPFO Shares given in accordance with the provisions of Article 3 hereof, no mortgage or charge shall be created on any part of the undertaking, property or assets of the Company or any subsidiary of the Company except for the purpose of securing monies (within the limit referred to in (i) above) borrowed from the 3i Group or by way of overdraft from bankers with interest thereon and bank charges.

#### Dividends and Reserves

7. No dividend shall be payable except out of the profits of the Company. The Directors may from time to time and without the same being declared by the Company in general meeting pay the participating preference dividend (including any accumulated arrears of all or any of the same) and such interim dividends as appear to the Directors to be justified by the profits of the Company.

The Company in General Meeting may declare dividends in accordance with the rights for the time being attached to any class of shares but so that no such dividend shall exceed the amount recommended by the Directors.

The Directors may, before recommending any dividend and subject to payment of the participating preference dividend (including any accumulated arrears of the same), set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may or must be applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve but subject to

payment of the participating preference dividend carry forward any profits which they may think prudent not to divide.

### Shares

8. Subject to the rights of Investors in Industry plc contained in Article 4 hereof all new shares stock loan stock (convertible or not) or other securities of the company of whatever kind shall be offered to members in proportion to the nominal value of the existing shares held by them, and such offer shall be made by notice specifying the number of such shares stock loan stock or securities to which the member is entitled and limiting a time (not less than three months) within which the offer if not accepted will be deemed to be declined, and, after the expiration of such time or on the receipt of an intimation from a Member to whom such notice is given that he desires to accept the shares stock loan stock or securities so offered, the Directors shall dispose of the same in the manner most beneficial to the company. All unissued shares (whether in the original or any increased capital) shall be offered to Members as if they were new shares as mentioned above.

### Lien

9. The Company shall have a lien on every Share, whether fully paid or not, and whether registered in the name of one or more Members, and accordingly in Clause 11 of the Table "A" the words "not being a fully paid Share" and "other than fully paid Shares" shall be omitted; and the words "a single person" shall be deleted and the words "any Member, whether alone or jointly with other Members" shall be substituted therefor.

### Calls on Shares

10. In Clause 15 of Table "A" the words "provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for payment of the last preceding call" shall be omitted.

Transfer and Transmission of Shares

11. Subject to the rights of Investors in Industry plc contained in Article 4 hereof:-

- (A) Any share may be transferred by a Member to his spouse, descendant, parent, brother or sister of that Member and any share may also be transferred by the person entitled to transfer the same to the Trustees of the Will of a deceased Member or to a new Trustee for the purpose of effectuating the appointment of a new Trustee or to the legatee or next of kin of the deceased Member or to a beneficiary under a trust created by a deceased Member and provisions of sub-clauses 6(B) and (C) hereof shall not apply to any transfer authorised by this sub-clause.
- (B) (1) For the purposes of this Clause, where any person is unconditionally entitled to be registered as the holder of a share he and not the registered holder of such share shall be deemed to be a Member of the Company in respect of that share.
- (2) Except as hereinafter provided no shares in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- (3) Every member who desires to transfer any share or shares (hereinafter called "the Vendor") shall give to the Company notice in writing of such desire (hereinafter called "transfer notice"). Subject as hereinafter mentioned, a transfer notice shall constitute the Company the Vendor's agent for the sale of the share or shares specified therein (hereinafter called "the said shares") in one or more lots at the discretion of the Directors to the Members other than the Vendor at the price which the auditor of the Company for the time being shall, by writing under his hand, certify to be in his opinion the fair value thereof as between a willing seller and a willing buyer. A transfer notice may contain a provision that unless all the shares comprised therein are sold by the Company, pursuant to this clause, none shall be sold and any such provision shall be binding on the Company.

- (4) The Company shall, as soon as it receives the auditor's certificate, furnish a certified copy thereof to the Vendor and the Vendor shall be entitled, by notice in writing given to the Company within ten days of the service upon him of the said certified copy, to cancel the Company's authority to sell the said shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case he shall bear the said cost.
- (5) Upon the price being fixed as aforesaid and provided the Vendor shall not give notice of cancellation as aforesaid the Company shall forthwith by notice in writing inform each Member other than the Vendor of the number and price of the said shares and invite each such Member to apply in writing to the Company within twenty-one days of the date of despatch of the notice (which date shall be specified therein) for such maximum number of the said shares (being all or any thereof) as he shall specify in such application.
- (6) If the said Members shall within the said period of twenty-one days apply for all or (except where the transfer notice provides otherwise) any of the said shares, the Directors shall allocate the said shares (or so many of them as shall be applied for as aforesaid) to or amongst the applicants and in case of competition pro rata (as nearly as possible) according to the number of shares in the Company of which they are registered or unconditionally entitled to be registered as holders, provided that no applicant shall be obliged to take more than the maximum number of shares specified by him as aforesaid; and the Company shall forthwith give notice of such allocations (hereinafter called "an allocation notice") to the Vendor and to the persons to whom the shares have been allocated and shall specify in such notice the place and time (being not earlier than fourteen and not later than twenty-eight days after the date of the notice) at which the sale of the shares so allocated shall be completed.
- (7) The Vendor shall be bound to transfer the shares comprised in an allocation notice to the Purchasers named therein at the time and place therein specified; and if he shall fail to do so, the chairman of the Company or some other person appointed by the Directors shall

be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the shares to the Purchasers thereof against payment of the price to the Company. On payment of the price to the Company the Purchaser shall be deemed to have obtained a good quittance for such payment and on execution and delivery of the transfer the Purchaser shall be entitled to insist upon his name being entered in the register of Members as the holder by transfer of the shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the Vendor.

- (8) During the six months following the expiry of the said period of twenty-one days referred to in sub-clause (5) of this clause the Vendor shall be at liberty, to transfer to any person and at any price any share not allocated by the Directors in an allocation notice provided that, if the Vendor stipulated in his transfer notice that unless all the shares comprised therein were sold pursuant to this Clause, none should be sold, the Vendor shall not be entitled, save with the written consent of all the other Members of the Company, to sell hereunder only some of the shares comprised in his transfer notice.

12. Subject to the rights of Investors in Industry plc contained in Article 4 hereof Regulation 24 of Table "A" shall apply to the Company.

#### General Meetings

13. In Clause 49 of Table "A" the words "one Member" shall be substituted for the words "two Members".

Regulation 62 of Table "A" shall have effect subject to being deemed to have the following wording added to it:

"Provided always that in the event of a resolution being proposed at any General Meeting of the Company for the removal from office of any director, any shares held by that director shall on a poll in respect of any such resolution carry the right to ten votes per share".

### Proceedings at General Meetings

14. Two Members present in person or by proxy shall form a quorum and Clause 53 of Table "A" shall be modified accordingly.
15. One Member present in person or by proxy may demand a poll and Clause 58 of Table "A" shall be deemed to be altered and modified accordingly.
16. Subject to the provisions of the Act a Resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

### Directors

17. Clause 75 of Table "A" shall not apply, and the following Clause shall be substituted therefor, viz:-

75. The number of Directors shall not be more than five, but the Company in General Meeting may reduce or increase this limit. The first Directors shall be appointed by the Subscribers to the Memorandum and Articles of Association.

### Disqualification of Directors

18. Clause 88 of Table "A" shall not apply, and the following Clause shall be substituted therefor:-

88. The office of Director shall be vacated if the Director:

- (A) Fails to obtain his qualification (if any) within one month from the date of his appointment and thereafter as at any time to hold his qualification.
- (B) Becomes bankrupt or suspends payment or compounds with his creditors.

- (C) Becomes prohibited from being a Director by reason of any Order made under Section 188 of the Companies Act 1948.
- (D) Is found lunatic or becomes of unsound mind.
- (E) Is absent from Directors' meetings for six calendar months without reasonable excuse and without the consent of the other Directors and they resolve that he vacate office.
- (F) Resigns his office by notice in writing to the Company.

#### Rotation of Directors

19. In Clause 89 of Table "A" the words "all the Directors shall retire from office" shall be deleted.

#### Proceedings of Directors

20. Clause 106 of Table "A" shall not apply, and the following Clause shall be substituted therefor:-

106. A resolution determined on without any meeting of Directors and evidenced by writing signed by all the Directors for the time being entitled to receive notice of a meeting of Directors, or all the members of a Committee, shall be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such Committee, as the case may be.

#### Indemnity

21. Every Director, Managing Director, Agent, Auditor, Secretary and other Officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is referred to in Section 205 of the Companies Act 1948) which he may sanction or incur in or about the execution of his duties of office or otherwise in relation thereto, and no Director or other Officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the



duties of his office or in relation thereto. This Article shall only have effect so far as its provisions are not avoided by the said Section.

#### Accounts

22. The Directors may at any time require any person whose name is entered in the register of members of the Company to furnish them with any information supported (if the Directors so desire) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not the Company is an exempt private company within the meaning of Section 129 of the Companies Act 1948.
23. No director shall be disqualified by his position as director from entering into any contract or arrangement with the Company. A director may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in counting a quorum when any such contract or arrangement is under consideration. A director may hold any other office or place of profit under the Company other than of Auditor on such terms as to remuneration and otherwise as the Directors may determine. Sub-clauses (2), (3) (4) and (5) of Article 84 of Table A Part I shall not apply to the Company.