

The Companies Act 1985 to 1989  
Private Company Limited by Shares  
Company Number: 1760288

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**MEMORANDUM  
OF ASSOCIATION**

**OF**

**ILMOR ENGINEERING LIMITED**

Incorporated the 11 October 1983

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1. <sup>1</sup>The name of the company is ILMOR ENGINEERING LIMITED.
2. The registered office of the Company will be situated in England.
3. The objects for which the Company is established are:
  - (A) To carry on the business of designing, developing, testing, producing, dealing in and marketing and selling a high performance, internal combustion car engine and generally to carry on business as designers, developers and manufacturers of, and dealers in and vendors of, any systems of propulsion for use by motor vehicles and any ancillary equipment, appliances, components, products and apparatus of whatever description for

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<sup>1</sup> Name change from HUBVIEW LIMITED on 16th December 1983 pursuant to Special Resolution passed 25th November 1983.

use in, or in connection with, such motor vehicles and to design, develop, test, manufacture and deal in and sell motor vehicles and any other products whatsoever which may be concerned with the manufacture, testing, operation, use and maintenance of such vehicles and/or use of such vehicles and to carry out all manner of researches, investigations and experimental work and tests of every description in relation to any of the foregoing engines, systems, equipment, products and vehicles;

- (B) To carry on any other business or trade which in the opinion of the Directors of the Company may be conveniently carried on in connection with or as ancillary to any of the above businesses or be calculated directly or indirectly to enhance the value of or render profitable any of the property of the Company or to further any of its objects;
- (C) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any interest whatsoever any movable or immovable property, whether tangible or intangible and wheresoever situated, which the Company may think necessary or convenient for the purposes of its business and to sell, lease, hire out, grant rights in or over, improve, manage or develop all or any part of such property or otherwise turn the same or any part thereof to the advantage of the Company;
- (D) To build, construct, maintain, alter, enlarge, pull down, remove or replace any buildings, works, plant and machinery necessary or convenient for the business of the Company and to join with any person, firm or company in doing any of the things aforesaid;
- (E) To borrow or raise money upon such terms and on such security as may be considered expedient and, in particular, by the issue of debentures or debenture stock and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital, and also by any similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person, firm or company of any obligation undertaken by the Company or any other person, firm or company as the case may be;
- (F) To apply for and take out, purchase or otherwise acquire any patents, licenses and the like conferring an exclusive or non-exclusive or limited right of user, or any secret or other information as to any invention which may seem calculated directly or indirectly to benefit the Company and to use, develop, grant licences in respect of, or otherwise turn to account any rights or information so acquired;
- (G) To purchase, subscribe for or otherwise acquire and hold and deal with any shares, stocks, debentures, debenture stock, bonds or securities of any other company or corporation carrying on business in any part of the world;
- (H) To issue, place, underwrite or guarantee the subscription of, or concur or assist in the issuing or placing, underwriting or guaranteeing the subscription of shares, debentures, debenture stock, bonds, stocks and securities of any company, whether limited or unlimited or incorporated by Act of Parliament or otherwise, at such times and upon such terms and conditions as to remuneration and otherwise as may be agreed upon;

- (I) To invest and deal with the monies of the Company not immediately required for the purposes of its business in or upon such investments and securities and in such manner as may from time to time be considered expedient;
- (J) to lend money or give credit on such terms as may be considered expedient and receive money on deposit or loan from and give guarantees or become security for any persons, firms or companies;
- (K) To enter into partnership or into any arrangement for sharing profits or to amalgamate with any person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company;
- (L) To acquire and undertake the whole or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company;
- (M) To sell, exchange, lease, dispose of, turn to account or otherwise deal with the whole or any part of the undertaking of the Company for such consideration as may be considered expedient and in particular the shares, stock or securities of any other company formed or to be formed;
- (N) To establish, promote, finance or otherwise assist any other company for the purpose of acquiring all or any part 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;
- (O) To pay for any rights or property acquired by the Company, and to remunerate any person, firm or company rendering services to the Company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or in any of the preliminary expenses of the Company and of any company formed or promoted by the Company;
- (P) To accept stock or shares in, or the debentures, mortgage debentures or other securities of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company;
- (Q) To draw, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, scrip, warrants and other transferable or negotiable instruments;
- (R) To establish, support or aid in the establishment and support of associations, institutions, clubs, funds, trusts and schemes calculated to benefit the directors, ex-directors, officers, ex-officers, employees or ex-employees of the Company or families, dependants or connections of such persons, and to grant pensions, gratuities and allowances to and to make payments towards insurance for the benefit of such persons as aforesaid, their families, dependants or connections and to subscribe or contribute to any charitable, benevolent, or useful object of a public character;
- (S) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, and for such purpose to

distinguish and separate capital from profits; but so that nothing in this sub-clause shall authorise the Company to make any distribution other than in accordance with the law for the time being in force;

- (T) To do all or any of the above things in any part of the world either alone or in conjunction with others and either as principals, agents, contractors, trustees or otherwise and either by or through agents, sub-contractors, trustees or otherwise;
- (U) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that the foregoing sub-clauses shall be construed independently of each other and that none of the objects mentioned in any sub-clause shall be deemed to be merely subsidiary to the objects mentioned in any other sub-clause.

4. The liability of the members is limited.

5.<sup>2</sup> The share capital of the Company at the date of the adoption of these Articles is £10,000 divided into 2,500 "A" Shares of £1 each, 2,500 "B" Shares of £1 Sterling each, 2,500 "C" Shares of £1 each and 2,500 "D" Shares of £1 each. Save as otherwise provided in these Articles, the "A" Shares, "B" Shares, "C" Shares, and "D" Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

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.

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<sup>2</sup> Capital increased by Ordinary Resolution passed 25 November 1983 and by Ordinary Resolution passed on 27 November 2002

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NAMES, ADDRESSES AND  
DESCRIPTIONS OF SUBSCRIBERS

NUMBER OF SHARES  
TAKEN BY EACH  
SUBSCRIBER

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STEPHEN FREDERICK WALFORD

ONE

Epworth House  
25/35 City Road  
London EC1

Company Formation Assistant

JOHN REGAN

ONE

Epworth House  
25/35 City Road  
London

Company Search Assistant

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DATED the 20th day of September 1983

WITNESS to the above signatures:

YAP KIM LAN

Epworth House  
25/35 City Road  
London EC1

Company Formation Assistant

ARTICLES OF ASSOCIATION  
OF  
ILMOR ENGINEERING LIMITED <sup>3</sup>  
PRELIMINARY

1. The Regulations contained or incorporated in Part I of Table A in the First Schedule to Companies Act 1948 as altered by any enactment coming into operation prior to the date of adoption of these Articles of Association (such Regulations so altered being hereinafter called "Table A"), (except as hereinafter modified and except for Regulations 2, 3, 5, 10, 11 to 14 inclusive, 24, 33 to 46 inclusive, 53, 54, 60, 62, 65, 66, 75, 77, 88 to 95 inclusive 97 to 101 inclusive, 106, 129 and 135 of Part I of Table A which Regulations shall not apply to the Company) shall, except where the same are excluded, altered or varied by or inconsistent with these Articles of Association, herein set out, apply to the Company and with the following Articles shall constitute the Articles of Association of the Company. In Regulations 49 and 69, respectively, of Table A the words "within the United Kingdom" shall be deleted.

**SHARE CAPITAL <sup>4</sup>**

2. The share capital of the Company at the date of adoption of this article is £10,000 divided into 10,000 Ordinary Shares of £1 each and US\$10,000 divided into 2,500 "A" Shares of US\$1 each, 2,500 "B" Shares of US\$1 each, 2,500 "C" Shares of US\$1 each and 2,500 "D" Shares of US\$1 each. Save as otherwise provided in these Articles the Ordinary "A" Shares, "B" Shares, "C" Shares and "D" Shares constitute separate classes of shares and the following rights and conditions shall be attached thereto:
- (A) The following provisions shall apply to the Ordinary Shares of £1 each:
- (a) Notwithstanding any other provisions of these Articles, save as provided in paragraph (b) below, the holders of the Ordinary Shares of £1 each shall not be entitled to any participation in the profits or assets of the Company.
  - (b) On a return of assets of the Company on a liquidation or a winding up of the Company the maximum that the ordinary £1 shareholders shall receive will be £1 per share and any surplus shall be paid or distributed exclusively amongst the holders of "A" Shares of US\$1 each, "B" Shares of US\$1 each, "C" Shares of US\$1 each and "D" Shares of US\$1 each.
  - (c) None of the ordinary shares of £1 each shall carry any right to receive notice or attend and vote at any General Meeting of the Company.
- (B) The "A" shares, "B" shares, "C" shares and "D" shares shall rank *pari passu* in all respects.

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<sup>3</sup> Articles adopted by Resolutions dated 9th December 1995 and amended by Resolutions dated 2nd November 2001 and 3rd May 2002.

<sup>4</sup> New Resolution 2 adopted by Special Resolution passed on 27 November 2002

## ISSUE OF SHARES

3. All shares in the capital of the Company for the time being unissued shall constitute a separate undesignated class of shares and shall only be capable of being issued in accordance with these Articles and in particular the following provisions of this Article and any issue of shares otherwise than in accordance with these Articles shall be null and void and of no effect:
- (A) All unissued shares offered for subscription (the "Offer") shall in the first instance be offered on identical terms and for the same price per share (the "Subscription Price") to all the members of the Company in proportion to the number of shares of each class held on the record date for the Offer by each such member. All shares agreed to be subscribed by any such member shall, subject to payment in full of the Subscription Price for such shares within the period allowed for the same by the terms of the Offer, be issued to and in the name of such member as shares of, each class of shares held by such member on the said record date.
  - (B) All shares in respect of which the Offer made in accordance with paragraph (A) above is not accepted or for which payment of the Subscription Price for the same is not made in accordance with paragraph (A) above ("Unaccepted Shares"), shall be re-offered (the "Secondary Offer") within the time specified in the Offer to all of the members of the Company who subscribed in full in accordance with paragraph (A) above their entitlements in the Offer, in the proportion that the number of shares of each class held at the time of the Secondary Offer by each such member bears to the total number of shares of each class held at the same time by all other such members entitled to participate in the Secondary Offer and otherwise on the same terms and for the same Subscription Price as specified in the Offer. All shares agreed to be subscribed by any such member shall, subject as mentioned in paragraph (A) above, be issued to and in the name of such member as shares of, and in proportion to the numbers of shares of, each class of shares held by such member at the time of the Secondary Offer.
  - (C) All Unaccepted Shares remaining after the Secondary Offer shall be re-offered in accordance with the procedure set out in paragraph (B) above all the terms of which, mutatis mutandis, shall apply in respect of each such re-offering until there are no members who subscribed in full in accordance with this Article their entitlement in the last re-offering of Unaccepted Shares pursuant to the paragraph (C).

## SHARE WARRANTS TO BEARER<sup>5</sup>

- 4 (a) Subject to the provisions hereinafter contained the Company may issue Share Warrants with respect to fully paid up "A" Shares of US\$1 each, "B" Shares of US\$1 each, "C" Shares of US\$1 each and "D" Shares of US\$1 each upon a request in writing by the person registered as the holder of such shares, on such terms and conditions as the directors may from time to time determine. The request shall be in such form as the Directors shall from time to time treat as appropriate.

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<sup>5</sup> Share Warrants to Bearer introduced by Special Resolution passed on 27 November 2002.

- (b) Before the issue of a Share Warrant, the share certificate (if any) for the shares intended to be included in it shall be delivered up to the Directors.
- (c) Share Warrants shall be issued under the seal or, if the Directors so resolve, in such other manner having the same effect as if issued under the seal of the Company, and shall state that the bearer is entitled to the shares therein specified.
- (d) The bearer for the time being of a Share Warrant shall, subject to these Articles and to the Companies Act 1985, be deemed to be a member of the Company and shall be entitled to the same rights and privileges as he would have had if his name had been included in the register as the holder of the shares specified in such Share Warrant.
- (e) The shares included in any Share Warrant shall be transferred by delivery of the Share Warrant without any written transfer and without registration, and the provisions in these Articles with respect to the transfer and transmission of and to the lien of the Company on shares shall not apply to shares so included.
- (f) No person shall as bearer of a Share Warrant be entitled to attend or vote or exercise in respect thereof any of the rights of a member at any General Meeting of the Company or sign any requisition for or give notice of intention to submit a resolution to a General Meeting of the Company, or to sign any written resolution of the Company unless three days at least (or such lesser period as the Directors shall specify) before the day appointed for the Meeting in the first case, and unless before the requisition or notice is left at the Registered Office of the Company, in the second case, or before he signs the written resolution in the third case, he shall have deposited the Share Warrant in respect of which he claims to act, attend or vote as aforesaid (or a letter from a financial institution as the Company may from time to time direct confirming that such Share Warrant has been deposited with them so as to create or be subject to a security interest (such letter may specify that, in the absence of written notice to the contrary, a person nominated in that letter may attend or vote or exercise in respect hereof any of the entitlements as a bearer of such Share Warrant as are referred to in this paragraph (f)) at the Registered Office for the time being of the Company or such other places as the Directors appoint, together with a statement in writing of his name and address, and if so deposited the Share Warrant shall remain so deposited until after the Meeting or any adjournment thereof shall have been held or, in the case of a written resolution, the same shall have been signed. Not more than one name shall be received as that of the holder of a Share Warrant.
- (g) There shall be delivered to the person so depositing a Share Warrant (or the letter from the financial institution as aforesaid) a certificate stating his name and address and describing the shares represented by the Share Warrant so deposited by him or confirmed by the letter as being the Share Warrant to which he is entitled, and such certificate shall entitle him, or his proxy duly appointed, (or any person nominated in the solicitor's letter) to attend and vote at any General Meeting of the Company or to sign any written resolution in the same way as if he (or such person) were the registered holder of the shares specified in the certificate. Upon delivery up of the said certificate to the Company, the Share Warrant in respect whereof it shall have been given shall be returned if deposited with the Company.
- (h) No person as bearer of any 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 (or a letter from his solicitors as described



above) and stating his name and address, and (if and when the Directors so require) permitting an endorsement to be made (or procuring to the reasonable satisfaction of the Directors that such endorsement be made) thereon of the fact, date, purpose and consequence of its production.

- (i) The Directors shall provide as from time to time they shall think fit for the issue to the bearers for the time being of Share Warrants (or to such person and for so long as such bearer may direct from time to time in writing) at the address stated on the Share Warrant at the date of its issue (unless the Company is notified of any change in accordance with the statement contained thereon and in accordance with the Memorandum and Articles of Association of the Company) of coupons payable to bearer providing for the payment of the dividends upon and in respect of the share represented by the Share Warrant. Every such coupon shall be distinguished by the number of the Share Warrant in respect of which it is issued, and by a number showing the place it holds in the series of coupons issued in respect of that Share Warrant.
- (j) Upon any dividend being declared to be payable upon the shares specified in any Share Warrant, the Directors shall give notice to the holder of the Share Warrant at the address stated on the Share Warrant at the date of its issue (unless the Company is notified of any change in accordance with the statement contained thereon and in accordance with the Memorandum and Articles of Association of the Company) stating the date of payment, and the serial number of the coupon to be presented and thereupon any person presenting and delivering up a coupon of that serial number at the place, or one of the places, stated in the coupon, or in the said notice, shall be entitled to receive upon so delivering it up as the Directors shall from time to time direct the dividend payable on the shares specified in the Share Warrant to which the said coupon shall belong, according to the said notice.
- (k) The Company shall be entitled to recognise an absolute right in the bearer for the time being of any coupons of which notice has been given as aforesaid for payment of such amount of dividend on the Share Warrant whereto the said coupon shall belong as shall have been as aforesaid declared payable upon presentation and delivery of the coupon, and the delivery of such coupon shall be a good discharge to the Company accordingly.
- (l) If any Share Warrant or coupon be worn out or defaced, the Directors may, upon the surrender thereof for cancellation, issue a new one in its stead, and if any Share Warrant or coupon be lost or destroyed, the Directors may, upon the loss or destruction being established to their satisfaction, and upon such indemnity being given to the Company as they shall think adequate, issue a new one in its stead. In case of loss or destruction the bearer to whom such new Share Warrant or coupon is issued shall also bear and pay to the Company all reasonable expenses incidental to the investigation by the Company of evidence of such loss or destruction and to such indemnity.
- (m) If the bearer of any Share Warrant shall surrender it together with all coupons belonging thereto for cancellation and shall lodge therewith at the registered office for the time being of the Company a declaration in writing, signed by him, in such form and authenticated in such manner as the Directors shall from time to time direct, requesting to be registered as a member in respect of the shares specified in such Share Warrant, and stating in such declaration his name and address, he shall be

entitled to have his name entered as a registered member of the Company in respect of the shares specified in the Share Warrant so surrendered, but the Company shall not be responsible for any loss incurred by any person by reason by the Company entering in the Register upon the surrender of a Share Warrant the name of any person not the true and lawful owner of the Share Warrant surrendered.

- (n) Regulation 7 of Table A shall be read and construed as if at the end of such Regulation there were added the words "or, in the case of a Share Warrant, in the bearer of the Share Warrant for the time being."
- (o) Regulation 29 of the Table A shall be read and construed as if the word "registered" appeared before the word "member" in the first line of such Regulation.
- (p) Regulation 30 of the Table A shall be read and construed as if the word "registered" appeared before the word "share" in the first line of such Regulation.
- (q) A notice may be given by the Company to the holder of a Share Warrant to the address supplied by him by notice in writing to the Company from time to time for the giving of notice to him. Any notice to the Company supplying a new address for the giving of notices by the Company shall be accompanied by the Share Warrant which shall be cancelled and a new Share Warrant shall be issued having endorsed thereon the address to which future notices by the Company to the holder of the Share Warrant may be given.
- (r) The Directors may from time to time require any holder of a Share Warrant who gives, or has given, an address at which notices may be served on him, to produce his Share Warrant and to satisfy them that he is, or is still, the holder of the Share Warrant in respect of which he gives or gave the address".

## **TRANSFER OF SHARES**

- 5. No shares in the Company or any interest in or rights to or in connection with such shares (together in this Article called "Shares") shall be capable of being transferred or disposed of otherwise than in accordance with the following restrictions and provisions to which all such transfers and disposals or agreements for the same shall be subject.
  - (A) Before transferring or disposing of any Shares any member wishing to transfer or dispose of the same (hereinafter called the "Vendor") shall give notice in writing (hereinafter called the "Transfer Notice") to the Company that the Vendor wishes to transfer or dispose of the same. The Transfer Notice shall constitute the Company the Vendor's agent for the sale or transfer of such Shares at the price per share at which such member wishes to transfer or dispose of such Shares (the "Offer Price") which will be stated in the Transfer Notice, together with the name of the Vendor and the number and class of Shares which the Vendor wishes to transfer or dispose of. A Transfer Notice shall not be revocable except with the consent of the Directors.
  - (B) Forthwith on receipt by the Company of a Transfer Notice in accordance with the foregoing provisions the Company shall by notice in writing inform each member of the Company (other than the Vendor) of the contents of the Transfer Notice and offer the Shares included in the Transfer Notice (as agent for the Vendor) (the "Offer") to each such members of the Company in the proportion that the number of shares in the

capital of the Company held at the date of receipt by the Company of the Transfer Notice (the "Record Date") by each such member bears to the total number of issued shares in the capital of the Company (excluding any such shares held by the Vendor) on the Record Date.

The terms of any Offer shall require its acceptance within 15 days of the date of the written notice of the Offer given by the Company pursuant to this paragraph (B) and shall also provide that the Offer shall not be capable of acceptance unless the Offer Price is paid in full within the time specified in the offer.

- (C) All Shares in respect of which the Offer made in accordance with (B) above is not accepted or for which payment of the Offer Price is not made in accordance with (B) above ("Unaccepted Shares"), shall be re-offered (the "Secondary Offer") within such time as shall have been specified in the Offer to all of the members of the Company who accepted in full in accordance with (B) above the Shares offered to them pursuant to the Offer, in the proportion that the number of shares in the capital of the Company held at the time of the Secondary Offer by each such member bears to the total number of shares in the capital of the Company held at the same time by all other such members entitled by paragraph (C) to participate in the Secondary Offer and otherwise on the same terms as the Offer and for a price which is not less than the Offer Price.
- (D) All Unaccepted Shares remaining after the Secondary Offer shall be re-offered in accordance with the procedure set out in (C) above all terms of which mutatis mutandis, shall apply in respect of each such re-offering until there are no members who have accepted in full in accordance with this Article all of the Shares offered to them pursuant to the last re-offering of Unaccepted Shares pursuant to this paragraph (D).
- (E) If following the offering of Shares pursuant to this Article there shall remain any Unaccepted Shares, the Company shall give written notice of this fact to the Vendor who may, within a period of 30 days following receipt of such notice, transfer or dispose of any such Unaccepted Shares at a price which is not less than the Offer Price or, if higher, the price at which such Unaccepted Shares have been offered pursuant to paragraphs (C) or (D) of this Article (the "Higher Offer Price") and on payment terms which are no more favourable than those of the Offer.
- (F) The Company shall give notice in writing to the Vendor of any Shares offered and accepted, pursuant to the foregoing provisions of the Article whereupon the Vendor shall be bound, upon payment of the Offer Price or (as the case may be) the Higher Offer Price (the "Price") in respect of such Shares, forthwith to transfer such Shares under a duly executed instrument of transfer to and in the name of the member or other person so accepting such Shares (the "Purchaser").

If the Vendor shall fail or refuse so to transfer any such Shares on the tender to him of the Price, each of the Directors of the Company shall be hereby deemed to have been appointed severally the attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, a transfer of such Shares to the Purchaser upon payment to the Company of the Price which shall be received and held by the Company in trust for the Vendor. The receipt of the Price by the Company shall be a good discharge to the Purchaser who shall be entitled to be registered as the holder of such Shares.

- (G) Notwithstanding the foregoing provisions of this Article:-
- (i) If either (but not both) of the persons who are the registered holders of the "A" Shares or the "B" Shares at the date of the adoption of this Article ("the Shareholder") shall become "totally disabled" (as such expression is defined in the Employment Agreements existing between each Shareholder and the Company on the date of the adoption of this Article<sup>6</sup>), any Shares held by the Shareholder may be transferred to and in the name of the other Shareholder ("A" or "B" as applicable) not so becoming totally disabled upon payment in full of the fair market value (as between a willing seller and a willing buyer) for the same:-
- (a) as agreed between the registered holders of the "A" Shares and the "B" Shares, or failing such agreement within 30 days of the Shareholder who has become "totally disabled" receiving an offer in writing from the other Shareholder to purchase such shares then;
- (b) as certified in writing by an independent chartered accountant appointed by agreement between the registered holders of the "A" Shares and the "B" Shares, or failing such agreement on such appointment within 44 days of the receipt of such offer then;
- (c) as certified in writing by an independent chartered accountant appointed by the Auditors for the time being of the Company;
- (ii) if within 24 months after the death of any person who is the registered holder of either the "A" Shares or the "B" Shares at the date of adoption of this Article the Company serves written notice on the personal representatives of such deceased shareholder that the Company wishes to purchase all (but not part only) of the Shares in its capital owned as at the date of death by such deceased shareholder, then the personal representatives shall sell and the Company shall purchase all (but not part only) of such shares within 14 days of either the price being agreed or being certified (as the case may be) in accordance with the provisions of sub-paragraph (iv) of this Article provided always that the Directors of the Company may appoint any person to execute make and do (for, on behalf of and in the name of, and as Agent and Attorney for, and shall give notice thereof to, the personal representatives of such deceased shareholder) any instrument of transfer to, and vest good title in, the Company as to any such shares;
- (iii) if within 24 months after the death of any person who is the registered holder of either the "A" Shares or the "B" Shares at the date of adoption of this Article the personal representatives of such deceased shareholder serves written notice on the Company that the personal representatives wish to sell all (but not part only) of the Shares in its capital owned as at the date of death by such deceased shareholder, then the Company shall purchase and the personal representatives shall sell all (but not part only) of such Shares within 14 days of either the price being agreed or being certified (as the case may be) in accordance with the provisions of sub-paragraph (iv) of this Article

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<sup>6</sup> Articles adopted by Resolutions dated 9th December 1995

provided always that the Directors of the Company may appoint any person to execute make and do (for, on behalf of and in the name of, and as Agent and Attorney for, and shall give notice thereof to, the personal representatives of such deceased shareholder) any instrument of transfer to, and vest good title in, the Company as to any such shares;

- (iv) the price to be paid for the shares under either sub-paragraph (ii) or (iii) above shall be the fair market value (as between a willing seller and a willing buyer) for the same:-
- (a) as agreed between the Company and the personal representatives of such deceased shareholder or failing such agreement within 30 days of the service of the notice under either sub-paragraph (ii) or (iii) above then;
  - (b) as certified in writing by an independent chartered accountant either appointed by agreement between the Company and the personal representatives of such deceased shareholder or, failing such agreement, on such appointment within 44 days of the service of such notice then;
  - (c) as certified in writing by an independent chartered accountant appointed by the Auditors for the time being of the Company.

The price to be paid for the shares shall be paid by the Company to the personal representatives of such deceased shareholder within 14 days of such price being agreed or certified (as the case may be) in accordance with the terms of this sub-paragraph (iv).

#### PROCEEDINGS AT GENERAL MEETINGS

6. No business shall be transacted at any General Meeting of the Company unless a quorum is present at the commencement of the meeting and also when such business is voted on. Save as herein provided, a quorum at any General Meeting shall consist of all the members of the Company each of whom is present in person or by proxy or by an authorised representative.
7. If within half an hour from the time appointed for the meeting ( or such longer time as the other members present may all agree to wait) a quorum is not present, the meeting shall stand adjourned to the same day in the next following week, at the same time and place or to such other later date (not being later than the twentieth consecutive business day (i.e. any day other than Saturday and Sunday) immediately following the date of the meeting, unless all the members otherwise agree) and at such other time and place as the Directors present at the meeting may determine and at such adjourned meeting any two or more members present in person or by proxy or by an authorised representative shall be a quorum. At least seven days' notice of any meeting adjourned through want of quorum shall be given in the same manner, mutatis mutandis, as for the original meeting and such notice shall state that any two or more members present in person or by proxy or by an authorised representative will form a quorum. No business (or resolution) shall be capable of being transacted (or passed) at any adjourned meeting other than the business or resolutions for the transaction of which, or the consideration and, if thought fit, the passing of which, the original meeting was convened.
8. Notice of every General Meeting shall be given to each member of the Company in accordance with Article 19 hereof and shall state the time, date and place of the meeting and shall contain a clear statement of all matters which are to be considered at the meeting.

Notice as aforesaid may be waived by all the members when they are present in person or by proxy or by an authorised representative at a meeting and agree upon the matters to be submitted to the meeting for decision by them.

All General Meetings shall be held in England or such other places as the Directors may by resolution determine.

Without prejudice to the Companies Act 1948, General Meetings may be convened by resolution of the Directors and shall be convened by the Directors forthwith on receipt by the Company of a written request for the same by one or more members holding at least twenty-five percent (25%) in nominal value of the shares of the Company giving the right to attend and vote at such meetings.

9. In these Articles the expression "authorised representative" means a representative appointed in manner provided by Section 139(i)(a) of the Companies Act 1948 by a body corporate which is a member of the Company or a person authorised in writing to act on behalf of a body corporate which is a member of the Company by a director or secretary of that body corporate.
10. A poll may be demanded at any General Meeting by the chairman or by any member present in person or by proxy or by any authorised representative. Regulation 58 of Table A shall be modified accordingly.
11. Any such resolution in writing as is referred to in Regulation 73A of Table A may consist of several documents in a like form each signed by one or more of the members or by an authorised representative of a member.
12. On a show of hands every member present in person or by proxy or by authorised representative shall have one vote and on a poll every member present in person or by proxy or by authorised representative shall have one vote for each share of which he is the holder; provided that if any resolution is proposed at a General Meeting or an adjourned meeting:
  - (i) to make any alteration in the Memorandum or Articles of Association of the Company; or
  - (ii) to make any increase or reduction or any alteration in or to sub-divide, consolidate, convert or reorganise, the authorised or issued share capital of the Company or any of the rights attaching thereto or to any part thereof or to issue or allot any share capital or securities or to implement any scheme of arrangement; or
  - (iii) for the merger of the Company with any other person or entity or the entry by the Company into any partnership or joint venture; or
  - (iv) for the acquisition of the assets and/or liabilities (of whatever nature), business or share or loan capital of any other person or entity; or
  - (v) for the sale of substantially all of the Company's assets; or
  - (vi) to grant or agree to grant any rights to subscribe for, or to convert into, any share capital, loan capital or securities of the Company (save as may otherwise be agreed by all the members of the Company); or

- (vii) to put the Company, or take any action which will place the Company, in any form of winding-up or dissolution (otherwise than by a resolution proposed at a meeting held pursuant to Article 26 hereof) or
- (viii) to increase or decrease the number of Directors of the Company or to appoint or remove any Director of the Company otherwise than in accordance with these Articles or to increase the fees or salary of any Director by more than twenty-five percent (25%) per annum; or
- (ix) to take or agree to take any of the actions referred to in Article 20 hereof;

then every member voting against such resolution (whether on a show of hands or a poll or otherwise) shall be entitled to cast such a number of votes as is necessary to defeat such resolution, and provided also that no shares of any one class shall confer any right to vote upon a resolution for the removal from office of a Director appointed by holders of shares of any other class.

- 13. Regulation 69 of Table A shall be further modified by the deletion of the words "not less than 48 hours" and "not less than 24 hours."

## **DIRECTORS**

- 14. The number of Directors shall be not less than two (2) and not more than four (4). No person shall be disqualified from being or becoming a Director of the Company by reason of his attaining or having attained the age of seventy years or any other age.
- 15. (A) The holders of a majority of the issued "A" Shares shall be entitled to appoint one person to be a Director of the Company (any such Director so appointed being called an "A" Director), the holders of the majority of issued "B" Shares shall be entitled to appoint one person to be a Director of the Company (any such Director so appointed being called a "B" Director), the holders of the majority of the issued "C" Shares shall be entitled to appoint one person to be a Director of the Company (any such Director so appointed being called a "C" Director) and the holders of the majority of the issued "D" Shares shall be entitled to appoint one person to be a Director of the Company (any such Director so appointed being called a "D" Director).
- (B) Any "A" Director may at any time be removed from office by the holders of the majority of the issued "A" Shares, any "B" Director may at any time be removed from office by the holders of the majority of the issued "B" Shares, any "C" Director may at any time be removed from office by the holders of majority of the issued "C" Shares, and any "D" Director may at any time be removed from office by the holders of majority of the issued "D" Shares.
- (C) If any "A" Director, "B" Director, "C" Director, or "D" Director shall die or be removed from or vacate office for any cause, the holders of the majority of the issued "A" Shares (in the case of an "A" Director), "B" Shares (in the case of a "B" Director), "C" Shares (in the case of a "C" Director), or "D" Shares (in the case of a "D" Director) may appoint in his place another person to be an "A" Director, "B" Director, "C" Director, or "D" Director (as the case may be).

- (D) Any appointment or removal of Director pursuant to this Article shall be in writing served on the Company and served by or on behalf of the holders of the majority of the issued "A" Shares, "B" Shares, "C" Shares, or "D" Shares (as the case may be).
- (E) The right to appoint an "A" Director, "B" Director, "C" Director, or "D" Director under this Article shall be a class right attaching to the "A" Shares, "B" Shares, "C" Shares, and "D" Shares, respectively.
- (F) No "A" Director, "B" Director, "C" Director or "D" Director shall be appointed or removed otherwise than pursuant to this Article, save as provided by law.

### **BORROWING POWERS**

- 16. The proviso to Regulation 79 of Table A shall be omitted and the powers of the Directors under such Regulation shall only be capable of exercise in accordance with the following provisions of these Articles.

### **PROCEEDINGS OF DIRECTORS**

- 17 Subject as hereinafter provided, the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. No business shall be transacted at any meeting of the Directors (or of a committee of the Directors) unless a quorum is present at the commencement of the meeting and also when such business is voted on. The quorum for any such meetings shall, subject as aforesaid, be two Directors who may be any two of the "A" Director, the "B" Director, the "C" Director and the "D" Director."
- 18 If within half an hour from the time appointed for the meeting (or such longer time as the other Directors present may all agree to wait) a quorum is not present, the meeting shall stand adjourned to the fifth consecutive business day immediately following the date of the meeting or to such other later day (not being later than the twentieth consecutive business day (i.e. any day other than Saturday and Sunday), unless all the Directors otherwise agree) (or earlier day, if the Directors of the Company shall agree) and at such other time and place as the Directors present at the meeting may determine and at such adjourned meeting any two (2) Directors present will form a quorum. No business (or resolution) shall be capable of being transacted (or passed) at any adjourned meeting other than the business or resolutions for the transaction of which, or the consideration and, if thought fit, the passing of which, the original meeting was convened.
- 19 Notice of all meetings of the Directors (including meetings of committees of the Directors) (whether held in person or by telephone) shall be given in writing at least five (5) consecutive business days before the meeting is to be held, at or to the address of each Director notified to the Company by such Director for the purpose (whether or not such address is within the United Kingdom). Written notice to any such address outside the United Kingdom shall be given by telex, fax or cable, which shall be confirmed by a copy of the written notice being sent at the same time to such address by registered airmail. Notice of any meeting shall state the time, date and, if the meeting is to be held in person, the place of the meeting and, if the meeting is to be held by telephone, the arrangements for so holding the meeting, and shall specify the nature of the business of the meeting. At least five (5) consecutive days notice of



any meeting adjourned through want of a quorum shall be given in the same manner, mutatis mutandis, as for the original meeting, and such notice shall state that any two (2) Directors present will form a quorum. Notice as aforesaid may be waived by all of the Directors when they are present at or in a meeting together and agree upon the matters to be submitted to the meeting for decision by them.

- 20 A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 199 of the Companies Act 1948. Subject where applicable to such disclosure, a Director shall be entitled to vote in respect of any contractor arrangement in which he is interested, and if he shall do so, his vote shall be counted; and he shall be taken into account in ascertaining whether a quorum is present. Paragraphs (2) and (4) of Regulation 84 of Table A shall not apply.
- 21 A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held, and may consist of several documents in a like form each signed by one or more of the Directors"
- 22 A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

### DISQUALIFICATION OF DIRECTORS

- 23 The office of a Director shall be vacated in any of the following events, namely:
- (a) if (not being employed under a contract which precludes resignation) he resigns his office by notice in writing delivered to the Company or tendered at a meeting of the Directors;
  - (b) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Directors resolve that his office is vacated;
  - (c) if he becomes bankrupt or compounds with his creditors;
  - (d) if he is prohibited by law from being a Director;
  - (e) if he ceases to be a Director by virtue of any statute or is removed from office pursuant to these Articles.
- 24 Each Director shall have power to appoint any person to act as alternate Director in his place during his absence and at his discretion to remove such alternate Director, and on such appointment being made the alternate Director shall, except as regards remuneration and the power to appoint an alternate, be subject in all respect to the terms and conditions existing with reference to the other Directors of the Company, and each alternate Director, while so acting, shall exercise and discharge all the functions, powers, and duties of the Director who he represents. Any Director acting as alternate shall have an additional vote for each Director for whom he acts as alternate. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director. All appointments and removals of alternate Directors shall be effected by instrument in writing delivered to the registered office of the Company and signed by the appointor. For the purpose of these

Articles, an alternate of an "A" Director shall be regarded as an "A" Director, an alternate of a "B" Director shall be regarded as a "B" Director, an alternate of a "C" Director shall be regarded as a "C" Director and an alternate of a "D" Director shall be regarded as a "D" Director.

## **WINDING UP**

- 25 In the event that by 31st December 1987, the Engine project (as the same is referred to in an agreement between all the members of the Company at the date of the adoption of these Articles) has not produced an engine of competitive horsepower and marketability; or in the event the Company's costs incurred to that point in time exceed by forty percent (40%) or more the amounts budgeted, then, at the option of one or more members holding (50%) or more of the shares in the capital of the Company, such member or members, after making such determination of the foregoing matters in good faith and on a reasonable business basis, may by notice serviced in accordance with these Articles on the Company and all the other members of the Company prior to 31st December 1987, be entitled to require a General Meeting of the Company to be convened forthwith for the purpose of resolving that the Company be wound up and at any such meeting shall be entitled to cast such number of votes as is necessary to ensure the passing of such a resolution as a special resolution of the Company.

## **REDEMPTION AND PURCHASE OF OWN SHARES**

- 26 Subject to the provisions of Part V of the Companies Act 1985 the Company shall have power:-
- (a) Pursuant to Sections 159 and 160 of that Act to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders on such terms and in such manner as shall be provided by the Articles of Association of the Company;
  - (b) Pursuant to Section 162 of that Act to purchase its own shares (including any redeemable shares);
  - (c) Pursuant to Section 171 of that Act to make a payment out of capital in respect of any such redemption or purchase.

## **CAPITALISATION OF RESERVES<sup>7</sup>**

- 27 Every ordinary resolution authorising a capitalisation of distributable reserves of the Company or of a sum standing to the credit of the Company's share premium account or capital redemption reserve by way of an issue of fully paid shares (hereinafter called "bonus shares"), pursuant to the provisions of regulation 128 of Table A shall specify the class or classes of shares to be allotted as bonus shares thereunder and the class or classes of shares conferring the entitlement to receive bonus shares. For the avoidance of doubt, bonus shares of a particular class may be allotted to the holders of shares of the same class or any other class of shares.

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<sup>7</sup> Capitalisation of Reserves adopted by Special Resolution passed on 27 November 2002.