

A
The Companies Act 1985 *21 Oct 1993*
Stephen Bay

Private Company Limited by Shares

ARTICLES OF ASSOCIATION

-of-

DSB SPECIAL BATTERIES LIMITED

(Registered No 2840892)

PRELIMINARY

1 In these Articles:

"Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985;

"the Act" means the Companies Act 1985 including any statutory modifications or re-enactment thereof for the time being in force;

"Regulations" means regulations of Table A; and

2 The regulations in Table A shall apply to the Company save in so far as they are excluded or modified by or inconsistent with the Articles set out below and such regulations and articles shall be the Articles of Association of the Company.

3 The following provisions of Table A shall not apply to the Company: regulations 3, 24, 25, 26, 41, 64-66 (inclusive), 73-78 (inclusive), 80, 81, 89, 94-98 (inclusive); and in regulation 62(a): the words "not less than 48 hours"; in regulation 62(b): the words "no' less than 24 hours".



SHARES

- 4 The share capital of the Company is £50,000 divided into 50,000 Ordinary Shares of £1 each.
- 5 a) The directors may allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined by Section 80(2) of the Act) of the Company to such persons and generally on such terms and conditions as the directors think proper.
- b) The general authority conferred by paragraph (a) of this Article shall extend to the amount of the authorised share capital of the Company at the date of incorporation. The said authority will expire on the fifth anniversary of the date of incorporation unless renewed, varied or revoked by the Company in general meeting in accordance with the said Section 80.
- c) The directors shall be entitled under the general authority conferred by paragraph (a) or any renewal thereof of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.
- 6 The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited; and
- 7 The Company shall not have power to issue share warrants to bearer.

VOTING

- 8 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these articles of association, on a show of hands every member who is present in person shall have one vote,

and on a poll every member who is present in person or by proxy shall (except as hereinafter provided) have one vote for every £1 in nominal amount of shares in the capital of the Company of which he is the holder.

TRANSFER OF SHARES

9 The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

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10.1

For the purposes of these articles:-

- a) 'Privileged Relation' in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;
- b) 'Family Trust' in relation to any member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that member and/or a Privileged Relation of that member and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or such member or his Privileged Relations
- c) 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member

10.2 Notwithstanding - other provision in these articles any member who is a member at the date of adoption of these Articles may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust

10.3 Where any shares are held by trustees upon a Family Trust:-

- a) on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- b) such Shares may be transferred at any time to the settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor; and
- c) if and whenever any such shares cease to be held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor) a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred;
- d) for the purposes of this article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

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11.1 Save as otherwise provided in these articles every member who desires to transfer any shares or any beneficial interest therein (hereinafter called 'the Vendor') shall give to the Company notice in writing of such desire (hereinafter called a 'Transfer Notice'). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein (hereinafter called 'the Sale Shares') in one or more lots at the

discretion of the directors to all the holders of ordinary shares in the Company (such shares being hereinafter in this article referred to as 'Equity Shares') other than the Vendor at the Sale Price. The Sale Price shall be a price agreed by the Vendor and the directors or if the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or if the Transfer Notice is a deemed Transfer Notice the price which a chartered accountant (acting as an expert and not as an arbitrator) nominated by agreement between the Vendor and the Company or in default of such agreement by the President for the time being of the Institute of Chartered Accountants in England and Wales shall by writing under his hand certify to be in his opinion a fair value thereof on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. Save for shares sold pursuant to a deemed Transfer Notice the Transfer Notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this article none shall be sold and any such provision shall be binding on the Company.

11.2 If a chartered accountant is asked to certify the fair value as aforesaid his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for shares sold pursuant to a deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. During the period of two years from the date of adoption of these Articles of Association, the fair value shall be deemed to be the nominal value of the Sale 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 the Vendor shall bear the cost.

- 11.3 Upon the price being fixed as aforesaid and provided the Vendor shall not give valid notice of cancellation the Company shall forthwith offer the Sale Shares to all holders of Equity Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing numbers of Equity Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the members hereinbefore mentioned have not so stated their willingness to purchase the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. Such remaining shares shall be offered pro rata as nearly as may be in proportion to existing numbers of Equity Shares then held by such members which offer shall remain open for a further period of twenty-one days.
- 11.4 If the Company shall pursuant to the above provisions of this article find a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 11.5 If the directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this article the Vendor shall at any time within six months after the final offer by the Company to its

members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price being no less than the Sale Price.

11.6 The foregoing provisions of this article shall not apply to a transfer if the holders of at least 70% of the ordinary shares so direct in writing and the directors shall be obliged to register any such transfer.

11.7 Unless the Company in general meeting by a resolution passed by the holders of at least 70% of the ordinary shares otherwise resolves within the 28 day period hereinafter referred to, forthwith upon the expiration of 28 days after the date upon which a member who is for the time being a Director or an employee of the Company ceases to be a Director or an employee of the Company (or, if such a person is both an employee and a Director of the Company, the date upon which he ceases to be either an employee or a Director of the Company) shall be bound to give the Company a Transfer Notice in respect of a deemed proposed sale of all the shares registered in his name and (in the absence of such a special resolution by the Company in general meeting) if he fails to give such a Transfer Notice a Transfer Notice shall be deemed to have been given at the expiration of such period and the provisions of Article 12 shall mutatis mutandis apply.

11.8 Unless the Company in general meeting by a resolution passed by the holders of at least 70% of the ordinary shares otherwise resolves within the 28 day period hereinafter referred to, upon the expiration of 28 days after the date on which a person who is the beneficial owner of shares in the Company which are registered in the name of a nominee for him ceases to be a Director or an employee of the Company (or, if such person is both an employee and a Director of the Company, the date on which he ceases to be either an employee or a Director of the Company) such nominee shall be bound to give the Company a Transfer Notice in respect of a deemed proposed sale of all the shares registered in his name and (in the absence of such a special resolution by the Company in general meeting) if he fails to give such a Transfer Notice a Transfer Notice shall be deemed to have been given at the expiration of such period and the provisions of Article 12 shall mutatis mutandis apply.

NOTICE OF GENERAL MEETING

- 12 In every notice calling a general meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member. All notices and other communications relating to a general meeting which any member is entitled to receive shall also be sent to the auditors of the Company for the time being, but shall not also be sent to the directors of the Company in their capacity as such. Regulation 38 shall be modified accordingly.

PROCEEDINGS AT GENERAL MEETINGS

- 13 No business shall be transacted at any meeting unless a quorum is present. Three persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 14 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be handed to the chairman immediately before the meeting and Regulation 62 shall be modified accordingly.

DECISIONS BY A SOLE MEMBER

- 15 Where the Company only has one member of the Company and that member takes any decision which may be taken by the Company in General Meeting and which is to take effect as if agreed by the Company in general meeting, he shall (unless that decision is taken by a written resolution) provide the Company with a written record of that decision.

ALTERNATE DIRECTORS

16 Any director (other than an alternate director) may appoint any other director or any other person approved by the Board of Directors of the Company and willing to act to be an alternate director and may remove from office an alternate director so appointed by him. An alternate director may represent one or more directors. An alternate director shall forthwith cease to be an alternate director if his appointor ceases for any reason to be a director.

17 An alternate director shall be entitled:

- a) to receive notice of all meetings of directors and of all committees of directors of which his appointor is a member and to attend any such meeting;
- b) to one vote for every director who he represents who is not personally present in addition to his own vote (if any) as a director at any meeting of the directors or of any committee of directors; and
- c) to sign a resolution in writing of the directors on behalf of every director whom he represents as well as on his own account if he himself is a director.

An alternate director shall if he is absent from the United Kingdom be entitled to receive notices of meetings of directors or of committees of which his appointor is a member. At such meetings an alternate director shall count as only one for the purposes of determining whether a quorum is present.

18 An alternate director shall be entitled generally to perform all the functions of his appointor as director in his absence but shall not as an alternate director be entitled to receive any remuneration from the Company, save that he may be paid by the Company that part (if any) of the remuneration otherwise payable to his appointor as his appointor may by notice in writing to the Company from time to time direct.

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

At the end of regulation 67 of Table A, as applicable to the Company, there shall be added the following sentence:

"The appointment of an alternate director shall also determine automatically on the happening of any event which if he were a director would cause him to vacate his office as director".

- 20 A director may vote (and be included for the purpose of quorum at any meeting at which the same is considered) on any resolution concerning a transaction or arrangement with the Company or in which the Company is interested, or concerning any other matter in which the Company is interested, notwithstanding the fact that he is interested in that transaction, arrangement or matter or has in relation to it a duty which conflicts or may conflict with the interests of the Company provided that he has disclosed to all the other directors the nature and extent of any such interest, and he may retain for his own absolute use and benefit all profits and advantages accruing to him in respect of that transaction, arrangement or matter.

INTERESTS OF DIRECTORS

- 21 Where the Company enters into a contract with the sole member of the Company and the sole member is also a director of the Company, the Company shall, unless the contract is in writing, ensure that the terms of the contract are set out in a written memorandum.
- 22 For the purposes of these Articles, a sole member who is a shadow director is treated as a director.

APPOINTMENT AND REMOVAL OF DIRECTORS

- 23 A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.
- 24 Unless and until otherwise determined by the Company in General Meeting the number of the directors shall not be less than one nor more than six. The first directors of the Company will be the person or persons named in the Statement delivered to the Registrar of Companies in accordance with Section 10 of the Companies Act 1985.
- 25 If the number of directors is less than fixed as the quorum the continuing directors or director may only act for the purpose of appointing director to fill a casual vacancy.
- 26 The directors shall have power to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors, subject to any maximum for the time being in force.
- 27 A director appointed to fill a casual vacancy or as an additional director shall not be required to retire from office at the next annual general meeting.
- 28 No person shall be elected a director at any general meeting unless:
- i) he is recommended by the directors; or
 - ii) not less than fourteen nor more than thirty five clear days before the date of the meeting, a notice in writing signed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for election, together with a notice in writing signed by that person of his willingness to be elected.

PROCEEDINGS OF DIRECTORS

- 29 No meeting of the directors shall be held (except with the unanimous consent of all the directors of the Company) until seven clear days after notice of meeting has been given in writing to each director specifying the business to be conducted at that meeting. Business (other than the business specified in the notice of the meeting) may only be conducted at the meeting with the majority consent of all the directors of the Company. A notice of meeting of the directors shall be given by post or telex or otherwise as agreed with each director and each director shall notify the Company of a postal or telex address for this purpose. Such notice of a meeting shall be deemed to have been given if the notice was properly addressed in accordance with the postal or telex or any other address specified by the director:
- a) in the case of a letter sent by post, on the third business day after posting; and
 - b) in the case of a telex or other electronic transmission, on the business day immediately following the date of despatch.
- 30 Unless otherwise decided by the directors, the quorum for the transaction of the business of the directors shall be three or, if there is only one director in office the quorum shall be one, provided that if during a meeting of the directors such a quorum ceases to be present the meeting shall stand adjourned until such time and place as all the directors of the Company may agree. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 31 A resolution which has been agreed upon and signed by all of the directors for the time being entitled to receive notice of a meeting of the directors or of a committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) that committee of directors duly convened and held and may consist of several documents in like form each signed by one or more of the directors and for this purpose:

- a) a resolution to which an alternate director has agreed need not also be agreed by his appointor; and
- b) a resolution to which a director who has appointed an alternate director has agreed need not also be agreed to by the alternate director in that capacity.
- 32 A director absent or intending to be absent from the United Kingdom may request the directors during his absence to send notice of meetings of the directors to him at such address within the United Kingdom as he may give to the Company for this purpose. The third sentence of Regulation 88 shall not apply.
- 33 Without prejudice to the first sentence of Regulation 88 of Table A, a meeting of the directors or of a committee of the directors may consist of a conference between a quorum of directors who are not all in one place, but of whom each is able (whether by telephonic communication or otherwise) to speak and be heard by each one of the others; and the word meeting in these Articles and in Table A shall be construed accordingly. A person so participating shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.
- 34 The Directors shall meet together at least 6 times in every year.

BORROWING

- 35 The directors may exercise all the powers of the Company to borrow or raise money or to guarantee and to mortgage or charge its undertaking, property, assets, rights and revenues and uncalled capital or any part thereof and to issue and create debentures, debenture stock, mortgages, charges and other securities as security for any debt, liability or obligation of the Company or any third party.

DISQUALIFICATION OF DIRECTORS

- 36 The office of a director shall be vacated if he:
- a) ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
 - b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - c) in the opinion of all the other directors becomes incapable by reason of mental disorder or illness or injury of discharging his duties as a director; or
 - d) resigns his office by notice to the Company.

ISSUE OF REDEEMABLE SHARES

- 37 Subject to the provisions of the Companies Act 1985, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as shall be determined by the Company in general meeting.

INSURANCE AND INDEMNITY

- 38 The Company shall be entitled to purchase and maintain insurance for any officer or auditor of the Company against any liability attaching to such persons in respect of any negligence, default, breach of duty or breach of trust or which he may be guilty in relation to the Company.
- 39 Subject to the provisions of the Act, the Company may indemnify every director, auditor or other officer of the Company against all costs, charges, losses, expenses and liabilities incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him

as an officer or auditor of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under section 144(3) or (4) or section 727 of the Act in which relief is granted to him by the court.

NOTICES

- 40 The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address.