

The Companies Acts 1985 to 1989  
Private Company Limited by Shares

## ARTICLES OF ASSOCIATION

- OF -

## ROCK COMPLIANCE LIMITED

## PRELIMINARY.

1. (a) Any reference in these Articles to "the Act" shall mean the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

(b) The Regulations contained in Table A as comprised in the Companies (Tables A to F) Regulations 1985 as modified from time to time ("Table A") shall apply to the Company subject to any exclusion or modification hereinafter expressed. Regulations 24, 46, 73-77, 79, 80, 94-97, 101 and 113 shall not apply to the Company.

## PRIVATE COMPANY.

2. The Company is a Private Company and accordingly, in compliance with Section 81 of the Companies Act 1985 ("the Act"), any invitation to the public to subscribe for any shares in or debentures of the Company shall be prohibited.

## ALLOTMENT OF SHARES.

3. (a) The Directors of the Company may, within a period of five years from the date of incorporation of the Company, exercise the Company's power to allot, grant options over or otherwise dispose of all or any of the unissued shares in the capital of the Company.

(b) Subject to the provisions of the Act, the Company in general meeting may by Ordinary resolution extend such authorisation or modify the duration thereof, provided that such Resolution complies with the Act.

4. (a) Subject to any direction given by the Company in general meeting all shares to be issued shall be first offered to the existing members in proportion to the shares already held by them. The said offer shall be in writing, stating the number of shares the member is entitled to and stating the time limit (being not less than 21 days) whereafter the offer is deemed to have been declined.

(b) Sections 89(1) and 90(1) to (6) of the Act shall not apply to the allotment of any equity security in the Company.

LIEN.

5. Regulation 8 of the Table A shall be amended by the words "(not being a fully paid share)" being omitted.

TRANSFER OF SHARES.

6. (a) No share or beneficial ownership of a share shall be transferred to any person who is not a member of the family (as hereinafter defined) of the member transferring the share unless and until the rights of pre-emption hereinafter conferred shall have been exhausted. "Member of the family" shall mean a spouse, parent, child, or grandchild (whether natural or adopted) of the member.

(b) A member ("the transferor") desiring to transfer shares otherwise than in accordance with Article 6(a) above shall give written notice ("the Transfer Notice") to the company of such intention. The Transfer Notice shall give particulars of the shares to be sold and may require that all the shares specified in the Transfer Notice be sold. The Transfer Notice shall constitute the Directors of the company agents for the transferor for the purpose of selling such shares to the existing members of the company at such price as shall be agreed between the Directors and the transferor or, failing such agreement, at the price fixed by an independent chartered accountant appointed, in the absence of agreement, by the President for the time being of the Institute of Chartered Accountants. The said accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding. He shall value the shares as at the date of the Transfer Notice and without any discount for the fact that they may constitute a minority shareholding and without any enhancement for the fact that they may constitute a majority shareholding. The costs of the accountant's valuation shall be borne by the company unless the accountant shall otherwise direct. A Transfer Notice once given may be withdrawn only with the consent of the Directors, but such consent shall not be unreasonably withheld.

(c) The Directors shall offer the shares specified in the Transfer Notice to the members of the company in proportion as if the shares were to be disposed of by allotment under Article 4(a) and the transferor were not a member.

(d) If within twenty-eight days from the date of the Transfer Notice the Directors are unable to find a member or members willing to purchase any of the shares (or all of them if the Transfer Notice so requires) the transferor may dispose of so many shares as shall remain (or all of the shares if the Transfer Notice required all shares to be

sold), in any manner and to any person he may think fit.

(e) The transferor shall be bound upon payment of the price due in respect thereof to transfer the shares specified in the Transfer Notice to the member or members willing to purchase shares.

(f) In the event that a person refuses to transfer any shares which by reason of these Articles he has become obliged to transfer, the Directors may appoint a person to execute such transfer on behalf of the defaulting transferor and the company may receive payment for such shares on behalf of the defaulting transferor and the company's receipt shall operate as a good discharge to the purchaser and the defaulting transferor shall be obliged to deliver to the company the share certificates (if any) held by him in respect of those shares.

(g) The Directors may refuse to register the transfer of any share which is not made in accordance with the provisions of this Article whether or not it is a fully paid share.

#### PROCEEDINGS AT GENERAL MEETINGS.

7. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of a show of hands) demanded by the Chairman or by any other person present in person or by proxy.
8. Business may be transacted at any meeting at which a quorum is present at the time the meeting proceeds to business and Regulation 40 and 41 of Table A shall be modified accordingly.

#### SECRETARY.

9. The first Secretary shall be as named in the statement delivered pursuant to Section 10 of the Companies Act 1985.

#### DIRECTORS.

10. The number of Directors shall be not less than one nor more than seven. The first Directors shall be as named in the statement delivered pursuant to Section 10 of the Companies Act 1985. A sole Director may exercise all the powers of the Directors and Regulations 64, 89 and 90 of Table A shall be modified accordingly.
11. A person may be appointed a Director notwithstanding that he shall have attained the age of 70 years and no Director shall be liable to vacate office by reason of having attained that or any other age.
12. No person shall be appointed or re-appointed a Director at

any general meeting unless:-

(a) he is recommended by the Directors; or

(b) not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

13. The Directors may appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.
14. Subject to the provisions of the Act, a Director may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director shall also be capable of voting in respect of such contract or arrangement where he has previously disclosed his interest to the Company, or in respect of his appointment to any office of place of profit under the Company or of the arrangement of the terms thereof, and may be counted in the quorum at any meeting at which any such matter is considered. Regulation 85 of Table A shall be modified accordingly.

#### BORROWING POWERS.

15. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled Capital, or any part thereof, and may, subject to Article 3, issue debentures, debenture stock and other securities whether outright or as a security for any debt, liability or obligation of the Company or any third party.

#### INDEMNITY INSURANCE.

16. Subject to the provisions of the Act but without prejudice to any assurance or indemnity to which a Director or other officer (or auditor) of the company may otherwise be entitled:
- (a) the company shall be permitted to purchase and maintain for every Director or other officer of the company insurance against any liability which by virtue of any rule of law would attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company in accordance with section 310 (3)(a) of the Act and the Directors shall be

entitled to exercise the aforesaid power to purchase and maintain insurance;

(b) every Director or other officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company;

(c) Regulation 118 of Table A shall not apply to the company;

(d) every director or other officer of the company shall be indemnified out of the assets of the company against any loss or liability which he may sustain or incur in or above the execution of the duties of his office or otherwise in relation thereto.

#### EXECUTION OF DOCUMENTS.

17. The company seal, if any, shall only be used by the authority of the Directors or of a committee of Directors duly authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless and otherwise determined it shall be signed by a Director and the Secretary or by a second Director and expressed (in whatever form of words) to be executed by the Company and has the same effect as if executed under the seal of the Company. Clause 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.

#### NOTICES.

18. A notice may be given by any member of the Company by leaving it at or sending it to the registered office of the Company.

#### WINDING UP.

19. In Regulation 117 of Table A the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

#### CHAIRMAN'S CASTING VOTE.

20. The Chairman (if any) shall not have a casting vote and Regulation 50 of Table A shall be deleted and Regulation 88 of Table A amended accordingly.

## SECURED INSTITUTIONS

### REMOVAL OF DISCRETION TO REFUSE TO REGISTER

21. Notwithstanding anything contained in these Articles the directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer:
- a) is to any bank or institution to which such shares have been charged by way of security, or to any nominee of such a bank or institution (a "Secured Institution");
  - b) is delivered to the company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
  - c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,
- and furthermore notwithstanding anything to the contrary contained in these articles, no transferor of any shares in the company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to provide any prior written notice to the company or to offer the shares which are or are to be the subject of any such transfer to the shareholders for the time being of the company or any of them, and no such shareholder shall have any right under the articles or otherwise to require such shares to be transferred to them whether for consideration or not."

### REMOVAL OF LIEN

22. Any lien of the company contained in these Articles shall not apply in relation to any shares which have been charged by way of security to a Secured Institution by any shareholder of the company from time to time."