

Company Number: 3407319

THE COMPANIES ACT 1985

Company Limited by Shares

RESOLUTION

Of


MARGENT CAPITAL MANAGEMENT LIMITED

Passed 4 December 1997

On 4 December 1997 by a Resolution in Writing signed by all the Members of the Company on or before that date (being as valid and effective as if the Resolution had been passed at a General Meeting of the Company duly convened and held) the following Resolution was passed as an Ordinary Resolution, namely:-

SPECIAL RESOLUTION

THAT the Articles of Association as set out in the print attached, and for the purpose of identification initialled by the Chairman, be adopted as the Articles of Association of the Company in place of the existing Articles of Association.



.....
Secretary
Margent Capital Management Ltd



Company Number: 3407319

THE COMPANIES ACTS

1985 -1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

MARGENT CAPITAL MANAGEMENT LIMITED

1. **DEFINITIONS**

- 1.1 The words standing in the first column of the following table bear in these Articles the meanings set opposite them respectively in the second column:

Articles	these articles of association.
Auditors	the Auditors for the time being of the Company.
the Byelaws	all the Byelaws, regulations and directions of Lloyd's from time to time as they apply to the Company as a member of Lloyd's.
Connected Person	a person within the meaning of paragraph 2(c) of the schedule to the Membership Byelaw (No. 17 of 1993).
Companies Act	the Companies Act 1985 as amended by the Companies Act 1989 and any statutory modification or re-enactment thereof for the time being in force.
Controller	a person within the meaning of paragraph 2(d) of the schedule to Membership Byelaw.
the Council	the Council of Lloyd's constituted by Section 3 of the 1982 Act and its duly authorised delegates from time to time.

the Directors	the Directors of the Company from time to time or (as the content shall require) any of them acting as the board of directors of the Company.
Insolvency Event	an event as defined in paragraph 1 of the schedule to the Membership Byelaw
Insurance Companies Act	the Insurance Companies Act 1982.
Lloyd's	the Society of Lloyd's incorporated under the Lloyd's Acts.
Lloyd's Acts	the Lloyd's Acts 1871-1982.
Lloyd's Adviser	a person listed in the Register of Lloyd's Advisers maintained under the Lloyd's Advisers Byelaw (No. 19 of 1993).
Lloyd's Broker	a person listed in the Register of Lloyd's Brokers maintained under the Lloyd's Brokers Byelaw (No. 5 of 1988).
Manager	a person who exercises managerial functions under the immediate authority of the Directors.
Managing Agent	a person listed as a managing agent in the Register of Underwriting Agents maintained under the Underwriting Agents Byelaw (No. 4 of 1984).
Members' Agent	a person listed as a members' agent in the Register of Underwriting Agents maintained under the Underwriting Agents Byelaw (No. 4 of 1984).
Membership Byelaw	the Membership Byelaw (No. 17 of 1993)

- 1.2 Any requirement in these Articles for any agreement, consent or approval on the part of the Council is to be read as a requirement for such agreement, consent or approval to be given in writing before the act, event or state of affairs for which such agreement, consent or approval is needed is done or occurs. Any such agreement, consent or approval may be given on such terms and conditions, subject to such undertakings and for such period as the Council thinks fit and may be revoked by the Council at any time.
- 1.3 References herein to any Statute, or Byelaw, regulation or direction of Lloyd's shall be deemed to include any statutory re-enactment or modification thereof for the time being in force. In particular (but without limitation) the thresholds for a controller of the Company shall be such thresholds as Lloyd's may from time to time prescribe.

2. PRELIMINARY

- 2.1 The Regulations set out in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 (as amended) (hereinafter called "Table A") shall apply to the Company in the same manner and to the same extent as if they were expressly set out herein, save in so far as they are excluded or varied hereby. The Clauses of Table A numbered 3, 35, 46, 73 to 81 inclusive, 104 and 118 shall not apply to the Company and in lieu thereof and in addition to the remaining Clauses of Table A the following shall be the Regulations of the Company.
- 2.2 The Lloyd's Acts, the provisions of the Insurance Companies Act 1982 for the time being applicable, the Byelaws, and any other conditions and requirements prescribed by the Council from time to time shall apply to the Company and the Company shall comply with them as a member of Lloyd's.

3. SHARE CAPITAL

- 3.1 The share capital of the Company at the date of adoption is £1,000,000 divided into 1,000,000 Ordinary shares of £1 each.
- 3.2 Subject to these Articles and to the provisions of Chapter VII of Part V of the Companies Act, any shares may, with the sanction of an Ordinary Resolution, be issued upon the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company may by Ordinary Resolution determine;
- 3.2.1 the Company may purchase any of its own shares (including any redeemable shares); the terms and manner of any such purchase shall (save in so far as Chapter VII of Part V of the Companies Act or any authority granted by the Company in General Meeting thereunder shall otherwise require) be determined by the Directors;
- 3.2.2 any payment by the Company in respect of the redemption or purchase of shares under the provisions of this Article may be made otherwise than out of distributable profits or the proceeds of a fresh issue of shares.
- 3.3 Unless otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the same provisions with reference to the payments of calls and the forfeiture of shares on non-payment of calls, transfer and transmission of shares, lien, or otherwise as if it had been part of the original capital.
- 3.4 Except with the approval of the Company in general meeting, any additional shares shall be offered before issue to the existing holders of shares in proportion, as nearly as may be, to the number of shares respectively held by them. Every such offer shall be made by serving it on the offeree in any manner in which notices to a member are authorised to be given by these Articles and shall limit the time not being less than 14 days, within

which the offer must be accepted or failing acceptance will be deemed to be declined. Subject as aforesaid and subject to the provisions of the Companies Act and of these Articles of Association and of any agreement binding on the Company, during the period of five years from the adoption of these Articles, the unissued shares of the Company forming part of the capital specified in Article 3(1) (including any shares which are forfeited or surrendered or which are to be issued in place of any such shares or in place of any shares which are or are about to be redeemed or purchased by the Company) shall be at the disposal of the Directors who, during the said period, are generally and unconditionally authorised for purposes of Section 80 of the Companies Act (and as if Section 89 (1) of the Companies Act did not apply to the allotment) to offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as they may determine; provided that the aggregate amount of relevant securities (within the meaning of Section 80 of the Companies Act) which the Directors may allot pursuant to the authority contained in this Article shall not exceed £9,998. Section 89(1) and sub sections (1) to (6) of Section 90 of the Companies Act shall not apply to any allotment of equity securities by the Company.

4. RESTRICTIONS ON SHAREHOLDINGS

- 4.1 No person may, except with the prior written consent of the Council, be a Controller of the Company.
- 4.2 The Directors shall disclose full, accurate and up to date details of all interests in any securities of the Company held for the time being by Members' Agents, Managing Agents, Lloyd's Brokers or Lloyd's Advisers to the Council and shall upon request by the Council disclose full, accurate and up to date details of all other registered shareholdings in the capital of the Company.
- 4.3 The Company shall not have power to issue share warrants to bearer.

5. TRANSFER OF SHARES

- 5.1 No member shall be entitled to transfer any Shares in the Company whether by way of sale or otherwise without first giving a Sale Notice (as hereinafter defined) in respect of the Shares he desires to transfer in accordance with the provisions of this Article.
- 5.2 5.2.1 Any person ("the Proposing Transferor") who wishes to transfer any Shares in the Company held by him, shall give a notice in writing (a "Sale Notice") to the Company that he wishes to sell or transfer such Share or Shares ("the Sale Shares")
- 5.2.2 Every Sale Notice shall specify the number, class and denoting numbers (if any) of the Sale Shares and shall constitute the Company the agent of the Proposing Transferor for the sale of such Sale Shares to such persons as are hereinafter provided at the Fair Value of such shares determined in accordance with Article 5.5.
- 5.2.3 No Sale Notice shall be withdrawn except with the sanction of the directors.
- 5.2.4 Save in the case of a Sale Notice given pursuant to any of Articles 5.9 or 5.10, the Proposing Transferor may, in any Sale Notice given by him, stipulate that unless purchasers for all the Sale Shares comprised in the Sale Notice shall be found he will not be willing to transfer part only thereof, and any such stipulation shall be binding on the Company.
- 5.3 5.3.1 The directors shall with a view to finding persons willing to purchase the Sale Shares ("Purchasers") offer such Sale Shares to the members of the Company holding shares of the same class as those comprised in the Sale Notice other than the Proposing Transferor and in proportion to the number of Shares of that class respectively registered in their names, or as nearly as practicable thereto, and shall invite such members to indicate whether they are willing to purchase their due proportion of the Sale Shares so offered and whether, if the offers in respect of all such Sale Shares shall not be taken up, they wish to apply for any shares not so taken up ("Surplus Shares"). If all the Sale Shares so offered in proportion as aforesaid shall not be taken up the directors shall re-offer any Surplus Shares to those members who shall have indicated their willingness to apply for the same in proportion to the number of Shares of that class respectively registered in their names until either all of the Sale Shares comprised in the Sale Notice shall have been taken up or the directors are satisfied that after making such offers all or any of such Sale Shares will not be taken up by members. The directors shall limit a time within which each of such successive offers, if not accepted, will be deemed to have been declined (being not less than 14 days and not more than 28 days).
- 5.3.2 If, after following the procedures set out in the foregoing paragraphs, the directors shall not have found Purchasers for all or any of the Sale Shares comprised in the Sale Notice, they shall offer those Sale Shares for whom Purchasers have not

been found to such person or persons in such proportions as the directors may resolve, whether or not any such person shall be member of the Company. The directors shall limit a time within which each such offer if not accepted will be deemed to be declined (being not less than 14 days and not more than 28 days).

5.4 If the Company shall within ninety days after the Fair Value of the Sale Shares comprised in a Sale Notice has been determined in accordance with paragraph 5.5 hereof find Purchasers in respect of all or some of the Sale Shares comprised therein it shall give written notice thereof to the Proposing Transferor and the Proposing Transferor shall be bound upon payment of the Fair Value to transfer the Sale Shares to such Purchasers who shall be bound to complete the purchase within fourteen days from the service of the last-mentioned notice.

5.5 5.5.1 For the purposes of this Articles the Fair Value of a Sale Share shall be the value agreed between the Proposing Transferor and the directors or, if not so agreed within one month after service of the Sale Notice, the value fixed by the Auditors as the Fair Value of the Sale Shares comprised in the Sale Notice. The Auditors will determine the Fair Value of the Sale Shares comprised in a Sale Notice as at the date of the Sale Notice on the following assumptions and bases:-

- (a) valuing the Company as a going concern;
- (b) valuing the Sale Shares as on an arm's length sale between a willing seller and a willing buyer;
- (c) on the assumption that the Sale Shares comprised in the Sale Notice are capable of being transferred without restriction (whether or not they are capable of being so transferred); and
- (d) valuing the Sale Shares comprised in the Sale Notice as a rateable proportion of the total value of the issued Ordinary Shares of the Company, which value shall not be discounted or enhanced by reference to the proportion which the number of the Sale Shares comprised in the Sale Notice bears to the number of Ordinary Shares in the capital of the Company in issue at the date of the Sale Notice.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Auditors in such manner as they shall in their absolute discretion think fit. In fixing the Fair Value of the Sale Shares the Auditors shall be deemed to be acting as experts and not as arbitrators and their decision shall be final and binding.

5.6 In the event of the Proposing Transferor failing to carry out the sale of any Sale Shares which he shall have become bound to transfer as aforesaid the directors may authorise some person to execute a transfer of the Sale Shares to the Purchasers and may give a good receipt for the purchase price of such Sale Shares and may register the Purchasers as shareholders thereof and issue to them certificates for the sale and thereupon the

Purchasers shall become indefeasibly entitled thereto. The Proposing Transferor shall in such case be bound to deliver up his certificate for the said Sale Shares and on such delivery shall be entitled to receive the said purchase price without interest and if such certificate shall comprise any Sale Shares which he has not become bound to transfer as aforesaid the Company shall issue to him a certificate for the balance of such Sale Shares.

5.7 If Purchasers for all the Sale Shares comprised in a Sale Notice are not found within ninety days after the Fair Value thereof has been determined in accordance with the foregoing provisions of this Article the directors may within a further thirty days by written notice to the Proposing Transferor require that any Shares for which Purchasers have not been so found shall be sold to the Company at their Fair Value provided that no such notice shall be given unless:-

- (a) such Shares are to be purchased out of the distributable profits or the proceeds of a fresh issue of shares; and
- (b) the requirements of Section 162 of the Companies Act 1985 are satisfied.

The directors must draw up a draft contract of purchase which provides for the completion of the purchase of such Sale Shares on the expiration of seven days after the passing of the special resolution hereinafter mentioned and for the payment to the Proposing Transferor of the purchase price therefor on completion. The Proposing Transferor is deemed, by virtue of his having become a member of the Company, to have agreed:-

- (a) to such contract; and
- (b) to have appointed any person nominated by the directors to execute such contract on his behalf; and
- (c) that he should deliver the certificates for such Sale Shares to the Company at completion.

The directors must convene a meeting to consider a special resolution to authorise such contract of purchase, and take all such steps as are necessary or desirable to be taken by them to ensure that such contract is duly approved executed and carried into effect.

5.8 If the directors shall neither within the space of ninety days after the Fair Value of the Shares comprised in a Sale Notice has been determined in accordance with paragraph 5.5 hereof find Purchasers for all of the Sale Shares comprised therein (of which event they shall give written notice to the Proposing Transferor) nor within a further thirty days direct that those Sale Shares (or any of them) be sold to the Company in accordance with Article 5.7 or if through no fault of the Proposing Transferor the purchase of any Shares shall not be completed within twenty-one days after the service on the Proposing Transferor of the notice provided for by Article 5.4. The Proposing Transferor may (subject to the provisions of Article 5.11), at any time within six months after the expiry of the said period of twenty-one days or within six months after the expiry of the said

period of twenty-one days or the service on him of such notice under this paragraph or the expiry of the said period of thirty days (whichever may be the later), as the case may be, transfer to any person the Sale Shares in respect of which no Purchaser was found or in respect of which the sale was not completed as aforesaid but only by way of sale at a price which shall not be less than the Fair Value of the said Sale Shares.

5.9 In the event of the bankruptcy of a member or (in the case of a corporation) its liquidation (otherwise than for the purpose of and followed by a reconstruction or amalgamation) the member shall be deemed to have served a Sale Notice in accordance with the provisions of paragraph 5.2 of this Article in respect of all the Shares in the Company registered in his or its name as at the date of bankruptcy or liquidation, as the case may be, whereupon the foregoing provisions of this Article shall apply. The expression "the Proposing Transferor") shall for these purposes include the trustee in bankruptcy or liquidator of the Proposing Transferor.

5.10 If any person shall die then:-

- (a) If such person shall at the date of his death be registered as the holder of any Ordinary Shares the directors may at any time after the date of such death or cessation require his personal representatives by written notice to that effect to give a Sale Notice in respect of all such Shares, and
- (b) If such person (whether or not registered as the holder of any Ordinary Shares) shall have become entitled to acquire any Ordinary Shares which shall not, at the date of his death have been so acquired, the directors may at any time after the date of such cessation require his personal representatives by written notice to give a Sale Notice in respect of all such Shares immediately the same shall have been acquired by them.

and if within seven days after service of such notice in case (a) above or within seven days after his personal representatives shall have acquired the Shares in case (b) above no Sale Notice shall have been given as aforesaid it will be deemed to have been given on the expiry of the seventh day after service of the notice by the directors in case (a) above or on the seventh day after the acquisition of the Shares in case (b) above, whereupon the foregoing provisions of this Article shall apply.

5.11 The directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share, whether or not it is a fully paid Share, made pursuant to Article 5.8 but shall (subject to any other provisions of these Articles) register any transfer of any Share made in accordance with the remaining paragraphs of this Article.

5. TRANSMISSION OF SHARES

Where a person becomes entitled to shares in the Company in consequence of the death or bankruptcy of a member and which would (if he elected to become himself the holder

of the shares) bring his shareholding (when aggregated with those of any Connected Person) to or above the threshold prescribed for a Controller, he may not elect to become the holder of the shares to the extent of the excess above such threshold unless the Council otherwise agrees. Regulation 30 of Table A shall be modified accordingly.

6. BORROWING POWERS

Without prejudice to the generality of Regulation 70 of Table A (but subject to the provisions of Clauses 5(5) 5(6) and 5(7) of the Membership Byelaw), 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, subject to Section 80 of the Companies Act to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

7. NOTICE OF AND PROCEEDINGS AT GENERAL MEETINGS

7.1 In Regulation 38 of Table A, the words "or a resolution appointing a person as a director" shall be deemed to be omitted and the words "in the case of special business" shall be deemed to be inserted immediately before the words "the general nature of the business to be transacted".

7.2 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

7.3 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 the show of hands) demanded:

7.3.1 by the Chairman; or

7.3.2 by at least one member present in person or by proxy.

7.4 A corporation which is a member of the Company and which is represented at a meeting of the Company by a duly authorised representative pursuant to Section 375 of the Companies Act shall be deemed to be present in person at that meeting.

7.5 At the end of Regulation 41 of Table A, the following words shall be deemed to be added, namely:

"and if at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved".

- 7.6 On a show of hands or on a poll, votes may be given either personally or by proxy. Accordingly, a proxy may vote on behalf of the member(s) whom he represents both on a show of hands and on a poll (in addition to voting on his own behalf if he is a member). Regulations 54 and 59 of Table A shall be modified accordingly.

8. **DIRECTORS**

- 8.1 No person shall, without the consent in writing of the Council, be appointed or remain a Director or Manager, if and so long as the Company remains a member of Lloyd's.
- 8.2 Until otherwise determined by the Company in General Meeting, the number of Directors shall not be less than two.
- 8.3 The Company may from time to time in General Meeting increase or reduce the number of Directors.
- 8.4 The Directors shall have power at any time and from time to time to appoint any eligible person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed as hereinbefore provided.
- 8.5 The Company may by Ordinary Resolution of which special notice has been given in accordance with Section 379 of the Companies Act, or by Extraordinary Resolution, remove any Director before the expiration of his period of office (notwithstanding anything in these Articles or in any agreement between the Company and such Director). Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
- 8.6 The Company may by Ordinary Resolution appoint an eligible person in place of a Director removed from office under paragraph (5) above, and without prejudice to the powers of the Directors under paragraph (4) above, the Company in General Meeting may appoint an eligible person to be a Director either to fill a casual vacancy or as an additional Director.
- 8.7 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participating in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 9.8 The quorum for the transaction of the business of the directors is two and Regulation 89 of Table A shall be deemed to be modified accordingly.

9. **POWERS AND DUTIES OF DIRECTORS**

Provided that a Director declares his interest in a contract or transaction or arrangement or proposed contract or transaction or arrangement with the Company in manner provided by Section 317 of the Companies Act, he shall be counted in the quorum at any meeting of Directors at which the same is considered and shall be entitled to vote as a Director in respect thereof. Regulations 94 to 97 inclusive of Table A shall be deemed to be modified accordingly.

10. **DIVIDENDS AND RESERVE**

The Directors may, before recommending any dividend, set aside out of the profits of the Company available for distribution 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 available for distribution may be properly 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 permitted by the Council as the Directors may from time to time think fit. The Directors may also, without placing the same to reserve, carry forward any profits of the Company available for distribution which they may think prudent not to divide.

11. Except as otherwise provided by the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid.

12. **WINDING UP**

- 13.1 Insofar as it is within its power to do so, the Company shall not, without the prior written consent of the Council, permit the occurrence of any Insolvency Event.
- 13.2 In Regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how such division".

13. **INDEMNITY**

- 13.1 Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including 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 727 of the Companies Act (general power to grant relief in case of honest and reasonable conduct) in which relief is granted to him by the Court, 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.

13.2 The Company at its discretion may purchase and maintain for any Director or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise 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, and to the extent that any such insurance is in place and responds, every Director or other officer of the Company shall be entitled to be indemnified out of, but only to the extent of, the insurance proceeds realised by the Company. The Company shall have no liability to any Director or other officer of the Company if no such insurance policy is in place or, if in place, if the policy fails to respond for any reason whatsoever.

13.3 This Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Companies Act.

14. **CONTRACTS AND EXECUTION OF DOCUMENTS**

14.1 A document signed by a Director and the Secretary of the Company, or by two Directors of the Company, and expressed (in whatever form of words) to be executed by the Company, will have the same effect as if executed under the common seal of the Company and regulation 101 of Table A shall be modified accordingly.

14.2 A document executed by the Company which makes it clear on its face that it is intended by the person or persons making it to be a deed has effect, upon delivery, as a deed; and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.