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**THE COMPANIES ACTS 1985 to 1989**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**MEMORANDUM OF ASSOCIATION**

of

**PULSE INSURANCE LIMITED**

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1. The name of the Company is "PROFESSIONAL UNDERWRITERS FOR LIFE AND SPECIAL EXPENSES LIMITED"
2. The Registered Office of the Company will be situated in England and Wales.
3. The objects for which the Company is established are:-
  - (1) To carry on business as a general commercial company. Without prejudice to the generality of the above object, to carry on all or any of the businesses of general traders and merchants, importers and exporters, manufacturers, designers, assemblers, producers, buyers, sellers, suppliers and distributors of and wholesale and retail dealers in goods, materials, merchandise and produce of every description, commission agents, general freight contractors and forwarding agents, shippers, haulage and transport contractors, general warehousemen and storekeepers, ships agents and brokers, general agents and brokers, representatives and intermediaries, commercial consultants and advisers, managers and administrators, financial agents, underwriters, insurance brokers and agents and mortgage brokers; and in connection therewith to undertake, perform and carry out all or any of the functions, operations, services or work ordinarily or which can be conveniently undertaken or carried out by persons engaged in such businesses; and to carry out all kinds of commercial, trading, marketing, industrial, agency, financial and investment operations either on the Company's own account or otherwise.
  - (2) To carry on any other business which may seem to the directors of the Company capable of being conveniently carried on in connection with any of the above specified businesses or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or which it may be advisable to undertake with a view to developing, rendering valuable or turning to account any property or rights belonging to the Company or in which the Company may be interested.

- (3) To acquire and takeover the whole or any part of the business, property and liabilities of any person or persons, firm or corporation, carrying on any business which the Company is authorised to carry on, or possessed of any property or rights suitable for the purposes of this company.
- (4) To carry on all kinds of agency business on commission or otherwise and to act as trustee for any person, firm or company.
- (5) To apply for, register, purchase, or otherwise acquire, protect, prolong and renew whether in the United Kingdom or elsewhere any patents, patent rights, copyrights, trade or service marks, formulae, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company; and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account, the property, rights or information so acquired.
- (6) To acquire and hold shares, stocks, debentures, debenture stock, scrip, bonds, obligations, notes, securities and investments issued or guaranteed by any company, corporation or trust constituted or carrying on business in any part of the world, and the funds or loans or other securities and investments of or issued or guaranteed by any government, state, or dominion, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad.
- (7) To acquire any such shares, stocks, debentures, debenture stock, scrip, bonds, obligations, notes, funds, loans, securities or investments (together: "Securities") by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to make payments on Securities as called up on or in advance of calls or otherwise, and to subscribe for and guarantee the subscription of Securities either conditionally or otherwise, and to exercise and enforce all rights and powers conferred by or incidental to the ownership of Securities, and to vary and transpose from time to time as may be considered expedient any of the Company's investments for the time being.
- (8) To purchase, take on lease or in exchange, rent or otherwise acquire land, buildings and immovable property of any tenure or description in the United Kingdom or elsewhere in any part of the world and any rights over or connected with land and any estate or interest in land, and to develop the resources of, manage, sell, lease, deal with and turn the same to account in any manner that may seem expedient.
- (9) To construct, maintain and alter any buildings, works, plant or machinery necessary or convenient for the purposes of the Company, and to make experiments in connection with any business of the Company.
- (10) To pay for any real or personal property or rights acquired by the Company, either in cash or fully or partly paid shares or by the issue of securities, or partly in one mode and partly in another, and generally on such terms as the Company may determine and to accept payment for any real or personal property or rights sold or otherwise disposed of or dealt with by the Company either in cash or fully or partly paid shares of any company or corporation, or other securities, or partly in one mode and partly in

another, and generally on such terms as the Company may determine.

- (11) To amalgamate or enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interests, with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which the Company is authorised to carry on or conduct or from which this Company would or might derive any benefit, whether direct or indirect.
- (12) To establish or promote, or join in the establishment or promotion of, any other company whose objects shall include the taking over of any of the assets and liabilities of the Company or the promotion of which shall be calculated to advance its interests, and to acquire and hold any shares or securities of any such company.
- (13) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally in respect to any such company or companies.
- (14) To enter into any arrangements with any governments or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons that may seem conducive to the Company's objects or any of them and to obtain from any such government, authority, corporation, company or person any licences, charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable and to carry out, exercise and comply with any such licences, charters, contracts, decrees, rights, privileges and concessions.
- (15) To invest and deal with the money of the Company not immediately required in such manner as may from time to time be thought fit.
- (16) To lend and advance money or give credit to any person or company; to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; to secure or undertake in any way the repayment of money lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or company and to take or hold mortgages, liens, charges to secure payment of the purchase price or any unpaid balance of the purchase price, of any part of the Company's property of whatsoever kind sold by the Company, or any money due to the Company from purchasers and others.
- (17) To borrow or raise or secure the payment of money or the performance of any contracts or obligations of the Company, or of any person or body having dealings with the Company or in whose businesses or undertakings the Company is interested whether directly or indirectly by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, including its uncalled capital,

and collaterally or further to secure any securities of the Company by a trust deed or other assurance, and for the purposes of or in connection with the borrowing of money by the Company to become a member of any building society.

- (18) To draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (19) To sell or dispose of the whole or any part of the undertaking, property and assets of the Company in such manner and for such consideration as the Company may think fit, and in particular for shares (fully or partly paid up), debentures, debenture stock or securities of any other company, whether promoted by this Company for the purpose or not, and to improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (20) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (21) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (22) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments, and to make, pay or procure the making or payment of ex-gratia payments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company, and who hold or have held any salaried employment or office in the Company or such other company, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds.
- (23) To the extent permitted by law, to give financial assistance by any means for the purpose of acquisition of shares in the Company or the Company's holding company for the time being (as defined in section 736 of the 1985 Act).
- (24) To distribute any of the Company's property among the members in specie.
- (25) To adopt such means of making known and advertising the business and products of the Company as may seem expedient.
- (26) To cause the Company to be registered or recognised in any foreign country or place.

And it is hereby declared that:

- (1) the word "Company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate, and whether domiciled in the United Kingdom or elsewhere;
  - (2) the intention is that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be an independent main object and be in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company;
  - (3) in this clause, the expression "the 1985 Act" means the Companies Act 1985 or any statutory modification or re-enactment thereof for the time being in force.
4. The liability of the members is limited.
5. The share capital of the Company is £260,000 divided into 26,000,000 shares of 1p each.<sup>1</sup>

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<sup>1</sup> On the 29 November 2000 34,000 issued B shares of £1 were redesignated 100 ordinary shares of 1p each. The remaining 65,000 authorised and unissued B shares were redesignated 100 ordinary shares of 1p each. The A ordinary shares of 1p each were redesignated ordinary shares of 1p each, giving a total authorised share capital of £100,000 divided into 10 million ordinary shares of 1p each. The authorised share capital was then increased from £100,000 to £260,000 by the creation of 16,000,000 ordinary shares of 1p each.

The undersigned subscriber to this Memorandum of Association wishes to form an incorporated company pursuant to this Memorandum and agrees to take the number of shares in the capital of the Company shown opposite its name.

NAME, ADDRESS AND DESCRIPTION OF SUBSCRIBER		Number of Shares taken by the Subscriber
1. For and on behalf of Instant Companies Limited 1 Mitchell Lane Bristol BS1 6BU	(Signature)	One
2. For and on behalf of Swift Incorporation Limited 1 Mitchell Lane Bristol BS1 6BU	(Signature)	One

DATED: 29<sup>th</sup> day of November, 2000

WITNESS to the above signature:-

Name : Mark Anderson (Signature)

Address: 1 Mitchell Lane  
Bristol  
BS1 6BU

**THE COMPANIES ACTS 1985 and 1989**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

of

**PULSE INSURANCE LIMITED**

**1. PRELIMINARY**

- 1.1 Except as otherwise provided in these Articles, the regulations contained or incorporated in Table A shall apply to the Company. For the purposes of these Articles, Table A means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985.
- 1.2 These Articles and the regulations incorporated in them shall take effect subject to the requirements of the Companies Act 1985 as amended ("the Act") and of every other act for the time being in force affecting the Company (together "the Statutes").
- 1.3 In these Articles, unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include all genders, words importing persons include corporations and the expression "paid up" includes credited as paid up.

**2. SHARE CAPITAL**

- 2.1 The directors are generally and unconditionally authorised (for the purposes of section 80 of the Act) at any time or times during the period of five years from the date of the adoption of these Articles to allot, or to grant any right to subscribe for or to convert any security into, shares in the authorised share capital of the Company at that date.
- 2.2 At the expiry of the period of five years, the authority contained in paragraph (1) shall expire, but the Company may make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority.
- 2.3 Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in section 94 of the Act) is excluded.

### 3. SHAREHOLDERS

- 3.1 A resolution in writing signed by or on behalf of all the members of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting of any class of members of the Company shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. The resolution may be contained in one document or in several documents each stating the terms of the resolution accurately and signed by or on behalf of one or more of the members. Regulation 53 of Table A shall not apply.
- 3.2 A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able:
- (a) to hear each of the other participating members addressing the meeting; and
  - (b) if he so wishes, to address all of the other participating members simultaneously,
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article is adopted or developed subsequently) or by a combination of those methods. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- 3.3 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum.
- 3.4 The quorum for the transaction of the business at general meetings or at a meeting of any class of members of the Company shall be two members, save where there is only one member. The second sentence of Regulation 40 of Table A shall not apply.
- 3.5 A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains. Regulation 46 of Table A shall be amended accordingly.
- 3.6 References in this Article to members shall include their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.
- 3.7 A proxy appointed by a member of the Company under section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands except as provided in Regulation 50 of Table A. Regulation 54 of Table A shall be amended accordingly.

### 4. DIRECTORS

- 4.1 The holders of a majority of the ordinary shares in the Company in issue may appoint any person as a director of the Company and may remove any director. Any appointment or removal shall be made in writing signed by the holders of the majority of the ordinary shares in the Company in issue and, in the case of a body corporate holding any of those shares, the signature of any one of its directors or its duly appointed representative shall suffice. Any appointment or removal shall take effect when it is lodged at the office.



- 4.2 In addition to the circumstances set out in Regulation 81 of Table A the office of a director shall be vacated if he is removed from that office in accordance with this Article.
- 4.3 The directors may appoint any person who is willing to act to be a director, either to fill a casual vacancy or as an additional director.
- 4.4 The directors shall not be subject to retirement by rotation and Regulations 73 to 80 (inclusive) and the last sentence of Regulation 84 of Table A shall not apply.
- 4.5 Unless and until otherwise determined by ordinary resolution, the minimum number of directors shall be one and there shall be no maximum number.
- 4.6 No director shall vacate his office or be ineligible for re-appointment as a director, nor shall any person be ineligible for appointment as a director, by reason only of his having attained a particular age.
- 4.7 No special notice is required of any resolution appointing or approving the appointment of such a director nor is any notice required to state the age of the person to whom the resolution relates.
- 4.8 Any director may appoint any other director or any person approved by a majority of the other directors to act as an alternate director.
- 4.9 Any person appointed as an alternate director shall vacate his office as an alternate director:
- (a) if and when the director by whom he has been appointed ceases to be a director; or
  - (b) if the director by whom he has been appointed removes him by written notice to the Company; or
  - (c) in the event of any circumstances which, if he were a director, would cause him to vacate that office.

Regulation 67 of Table A shall not apply.

## 5. POWERS OF DIRECTORS

- 5.1 The powers of the directors mentioned in Regulation 87 of Table A shall be exercisable as if the word "executive" (which appears before the word "office") were deleted.
- 5.2 Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

## 6. PROCEEDINGS OF DIRECTORS

- 6.1 A director who is in any way, whether directly or indirectly interested in any contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the directors in accordance with the Statutes.



- 6.2 Subject to such disclosure, a director may vote as a director on a resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his votes shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration. Regulations 94 to 96 (inclusive) of Table A shall not apply.
- 6.3 Notices of meetings of the directors shall be given to all directors and to any alternate directors appointed by them. Regulations 66 and 88 of Table A shall be amended accordingly.
- 6.4 Regulation 93 of Table A (written resolutions of directors) shall apply as if the word "signed" included "approved by letter, facsimile or telex".
- 6.5 A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:
- (a) to hear each of the other participating directors addressing the meeting; and
  - (b) if he so wishes, to address all of the other participating directors simultaneously.
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article is adopted or developed subsequently) or by a combination of those methods. A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- 6.6 Unless there is a sole director in office at any given time the quorum necessary for the transaction of the business of the board may be fixed by the board but shall in no case be less than two. The first sentence of Regulation 89 of Table A shall not apply.

## 7. DISQUALIFICATION OF DIRECTORS

### 7.1 The office of a director shall be vacated:-

- (a) if by notice in writing to the Company he resigns the office of director;
- (b) if he shall for more than 6 months have been absent without permission of the directors from meetings of the directors held during that period, unless he shall have appointed an alternate director who has not been similarly absent during such period;
- (c) if he becomes bankrupt or enters into any arrangement or composition with his creditors;
- (d) if he has any order made against him under Section 6 of the Company Directors Disqualification Act 1986;
- (e) if he is prohibited from being a director by an order made under any provision of the Act;
- (f) if in the opinion of a majority of the other directors he becomes incapable by reason of mental disorder of discharging his duties as a director;
- (g) if he is removed by virtue of any provision of the Act.

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8. **SEAL**

- 8.1 The directors shall decide whether the company shall have a seal and if so shall provide for the safe custody of the seal and of any official seal for use abroad in accordance with the Statutes. The seals shall only be used with the authority of the directors or of a committee of the directors authorised by the directors for that purpose. Every instrument to which the seal is affixed shall be signed by a director and countersigned by the secretary or by a second director or by some other person appointed for the purpose by the directors or the committee. Regulation 101 of Table A shall not apply.

9. **SHARE TRANSFERS**

- 9.1 The directors may, in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of any share (whether or not it is a fully paid share) other than a transfer made pursuant to the provisions of paragraphs 9.2, 9.3, or 9.4.

9.2 Subject as aforesaid:-

- A. A member (or other person entitled to transfer the shares registered in the name of a member) may at any time transfer all or any such shares

- (i) to any other member; or
- (ii) to a privileged relation (as hereinafter defined) of such member; or
- (iii) to trustees to be held upon family trusts (as hereinafter defined); or
- (iv) to any person approved by the directors as a person whom it is desirable to admit as a member.

- B. For the purposes of the foregoing in paragraph A. the expression "member" shall not include a trustee holding shares upon a family trust as hereinafter defined but where shares are held by such trustees

- (i) such shares may on any change of trustees be transferred to the trustees for the time being;
- (ii) such shares may at any time be transferred to any person to whom under paragraph A. hereof the same could have been transferred by the settlor if he had been the holder thereof;
- (iii) if and whenever any such shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised under sub-paragraph (ii) of this paragraph) the trustees shall be bound forthwith to give a transfer notice (as hereinafter defined) in respect of the shares in question.

C. For the purposes of this paragraph:-

- (i) the words "privileged relation" shall mean the grandfather or grandmother of the member any lineal descendant of such grandfather and grandmother of any person who is or has been married to any such grandfather or grandmother or to any such lineal descendant or any stepchild or adopted child of the member or of such grandfather or grandmother or of any such lineal descendant;
- (ii) the expression "family trust" shall, in relation to any member, mean trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the member concerned or a privileged relation of such member and no power or control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees of the member concerned or a privileged relation of such member.

9.3 Except in the case of a transfer of shares expressly authorised by the last preceding paragraph, the right to transfer the shares in the Company shall be subject to the following restrictions, namely:-

- A. Before transferring any shares or any interest (whether beneficial or not) in any shares the person proposing to transfer the same (hereinafter called "the proposing transferor") shall give a notice in writing (hereinafter called "the transfer notice") to the Company that he proposes to transfer the same and the transfer notice shall constitute the directors his agent for the sale of the shares therein mentioned at the prescribed price (as hereinafter defined) to any member or members in accordance with these paragraphs. A transfer notice once given or deemed to be given shall not be revocable except with the consent of the directors and except for the right of withdrawal referred to in paragraph F. below. Shares of different classes shall not be included in the same transfer notice. A transfer notice may state whether or not the proposing transferor is willing to sell at the prescribed price any lesser number of shares than the total number included in the transfer notice and, if so, what number.
- B. All shares comprised in any transfer notice shall, within 14 days after the transfer notice is received by the Company (or, where there is no agreement between the proposing transferor and the directors as to the prescribed price, within 14 days after the same shall have been determined as hereinafter set out provided the proposing transferor does not exercise his right of withdrawal in paragraph F. below or, where the transfer notice is deemed to have been given, within 14 days after the prescribed price shall have been so determined but subject to paragraph I. below) be offered by the directors in writing to each member holding shares of the same class as those comprised in the transfer notice (other than the proposing transferor) for purchase at the prescribed price inviting him to state in writing within 28 days from the date of the said offer whether he is willing to purchase any and if so what number of shares. At the expiration of the said period the directors shall allocate the shares comprised in the transfer notice to the member or members who shall have notified their willingness to purchase as aforesaid and in the event of competition in proportion (as

nearly as may be and without increasing the number sold to any member beyond the number applied for by him) to their existing holding of shares.

- C. If and to the extent that the shares comprised in a transfer notice are not accepted by a member or members within the time limited for acceptance as aforesaid the directors shall within 7 days after the expiration of such time as aforesaid offer the shares comprised in the transfer notice or so many thereof as have not been accepted as aforesaid to members holding shares of the other class and the provisions of paragraph 9.2B. of this paragraph shall apply mutatis mutandis to such offer.
- D. If within three months after the transfer notice is given (or, where the prescribed price is being determined in default of agreement on it or where the transfer notice is deemed to be given, within three months after the date on which the prescribed price is determined) the directors shall pursuant to the foregoing provisions of this paragraph find a member or members (hereinafter called "a purchaser" or "purchasers") willing to purchase all the shares concerned or, where the proposing transferor has stated in the transfer notice that he is willing to sell any lesser number, any number of them (not being fewer than the number stated as the minimum number in the transfer notice) and shall give notice in writing thereof to the proposing transferor, he shall be bound, upon payment of the prescribed price, (or such portion thereof as shall pursuant to any agreement between the proposing transferor and the purchaser be payable by the purchaser on completion of the purchase) to transfer such shares to the respective purchasers thereof. Every such notice shall state the name and address of each purchaser and the number of shares agreed to be purchased by him, and the purchase shall be completed at a place and time to be appointed by the directors not being less than 7 days nor more than 28 days after the date of such notice.
- E. If in any case a proposing transferor, after having become bound to transfer any shares to a purchaser, shall make default in so doing the directors may authorise some person to execute any necessary transfers in favour of the purchaser or purchasers and may receive the purchase money and shall thereupon cause the name of the purchaser to be entered in the register as the holder of the shares and hold the purchase money in trust for the proposing transferor subject to applying the same on behalf of the proposing transferor in settling any fees or expenses falling to be borne by the proposing transferor. The receipt of the Company for the purchase money shall be a good discharge to the purchaser, who shall not be bound to see to the application thereof, and after the name of the purchaser has been entered in the register in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- F. The expression "the prescribed price" shall mean such sum per share as may be agreed upon between the proposing transferor and the directors or in default of such agreement being reached within 14 days of receipt of the relevant transfer notice by the Company and in any event in the case of a deemed transfer notice as may be determined by the auditors of the Company on the instruction of the directors who shall state in writing what is in their opinion the fair selling value thereof on the open market as between a willing vendor and a willing purchaser and for this purpose the auditors shall be given by the directors and shall take account of all information which a prudent prospective purchaser of the whole of the share capital might reasonably require if he were proposing to purchase it from a willing vendor by

private treaty and at arms length. The auditors shall be deemed to act as an expert and not as an arbitrator and their determination shall be final and binding on all concerned. The proposing transferor shall have the right (except for the avoidance of doubt in the case of a deemed transfer notice) to withdraw the transfer notice by notice in writing to the Company within 7 days of the determination of the prescribed price by the auditors. The cost of obtaining the auditors' certificate shall be borne by the Company unless the proposing transferor gives notice of cancellation, in which case he shall bear the cost.

G. If the directors shall not within the period of three months referred to in paragraph C. find purchasers willing to purchase all the shares comprised in a transfer notice or where the proposing transferor has stated in the transfer notice that he is willing to sell any lesser number, any number of them being a number equal to or more than the number so stated in such transfer notice they shall so inform the proposing transferor by notice in writing as soon as it shall appear that such purchasers will not be found and in any event at the expiration of such period and the proposing transferor at any time within 6 months after the date on which the transfer notice was given or deemed to be given shall be at liberty (subject only to the foregoing power of the directors to refuse to register any transfer) to transfer all the shares comprised in the transfer notice to any person on a bona fide sale at any price not being less than the prescribed price: provided that the directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied may refuse to register the instrument of transfer. If a transfer notice shall state such lesser number of shares as aforesaid and if the directors shall find purchasers for such lesser number of shares and shall so inform the proposing transferor as aforesaid he shall be at liberty to transfer all the shares included in the transfer notice for which the directors shall not have found purchasers as aforesaid on the terms mentioned in this paragraph.

H. Where the directors shall have found a purchaser or purchasers and through no default of the proposing transferor any purchase is not duly completed the directors shall forthwith notify the purchaser or all the purchasers and if within seven days of such notice being given the purchaser or the purchasers between them shall not have duly completed the purchase of the shares in respect of which there has been default in completion, the proposing transferor shall be entitled to sell such shares to any third person on the terms mentioned in paragraph G.

I. Upon:-

- (i) the death or bankruptcy of any member being an individual; or
- (ii) the liquidation (voluntary or otherwise) of any member being a corporation (other than for the purposes of a reconstruction or amalgamation);

such member shall be deemed to have given immediately prior to such death bankruptcy or liquidation or ceasing to be in the requisite relationship (as the case may be) a transfer notice in respect of all shares registered in the name of such member, unless the provisions of this paragraph of this paragraph shall have been waived in writing in any particular case by the directors or unless, in the case of death

only, such shares are transferred by the personal representatives or administrators of the estate of the deceased member to a privileged relation of or on family trusts for the deceased forthwith and in any event within one month of the date on which probate is granted or letters of administration are granted in respect of the estate of the deceased. For the avoidance of doubt, the transfer notice deemed to have been given on the death of the member shall be deemed to be withdrawn on such transfer, but until such deemed withdrawal the provisions of this paragraph brought into operation by a deemed transfer notice shall apply save that the directors shall not offer the shares in question pursuant to paragraph 9.2B above until the expiry of one month from the date on which probate is granted or letters of administration are granted, or the prescribed price shall have been determined pursuant to paragraph F. above, whichever shall last occur.

- J. For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a transfer notice is deemed to have been given hereunder or for the purpose of ascertaining when a transfer notice is deemed to have been given hereunder the directors may from time to time require any member or the legal personal representatives of any deceased member or the trustee in bankruptcy of any member or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose and the directors may accordingly determine when a transfer notice is deemed to be given. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after request the directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a transfer notice be given in respect of the shares concerned.
- K. If any interest in any share or shares is assigned or transferred and an instrument of transfer, duly executed and stamped, in respect of any such share or shares is not presented for registration within one month of the date of assignment or transfer, or if any agreement is entered into granting rights in respect of any shares (including, but not limited to, rights to dividends and/or to vote) the Board shall have power to declare that in any such case such shares shall have no right to vote and/or to be paid dividends or other distributions declared or made in respect of such shares and/or to participate in any rights issue or offer by way of rights to members of the Company. Written notice of such declaration shall be given to the holder of the shares in respect of which such declaration is made but failure to give such written notice shall not invalidate the declaration, which shall for all purposes become effective immediately upon being made.
- L. With the consent in writing of all members for the time being the restrictions imposed by this paragraph may be waived or varied in relation to any proposed transfer of shares.

- 9.4 Notwithstanding any of the provisions of Paragraphs 9.2 and 9.3 no shares or any interest therein may be transferred to a person who will after the transfer have control (within the meaning of Section 840 of the Income and Corporation Taxes Act 1988) of the Company unless that person makes a written offer (open for acceptance in England for a period of at least 21 days and with adequate security as to the performance of its obligations) to all the holders of shares to purchase all such shares at the same price per share and completes the



purchase of all shares in respect of which such offer is accepted at the same time as he completes the purchase of the shares, the proposed transfer of which required a written offer to be made pursuant to this paragraph, and any transfer pursuant to any such written offer shall not require the transferor to give a transfer notice in accordance with paragraph 9.3 above.

## 10. NOTICES

### 10.1 Proof that:

- (a) an envelope containing a notice was properly addressed, prepaid and posted (by first class post, where available); or
- (b) a telex or facsimile transmission setting out the terms of a notice was properly despatched

shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiry of 24 hours after the envelope containing it was so posted or, in the case of telex or facsimile transmission, when despatched. Regulation 112 of Table A shall be amended accordingly. Regulation 115 of Table A shall not apply.

## 11. INDEMNITY AND INSURANCE

### 11.1 Subject to the provisions of the Companies Act 1985, but without prejudice to any indemnity to which he may otherwise be entitled, each person who is or was a director, alternate director or secretary of the Company must be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred:

- (a) defending proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
- (b) in connection with any application 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.

### 11.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary undertaking of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or foreign officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

*Handwritten signature: A. J. Fisher*  
29/11/00