

Company Number: 05158886

**COBCO 642 LIMITED**  
**("the Company")**

WE, the undersigned, being all the Members for the time being entitled to receive notice of and to attend and vote at general meetings of the Company, passed the following Resolutions pursuant to s381A of the Companies Act 1985 and agree that such Resolutions shall be for all purposes as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

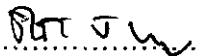
**ORDINARY RESOLUTIONS**

1. THAT the authorised share capital of the Company be increased by £3,215,677 to £3,216,677 by the creation of 177 'A' Ordinary Shares of £1 each and 3,215,500 Cumulative Redeemable Preference shares of £1 each, having the rights set out in the Articles of Association of the Company as proposed to be adopted pursuant to Resolution 4 below.
2. THAT the directors be generally and unconditionally authorised, pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all powers of the Company to allot relevant securities (within the meaning of that section) up to a maximum amount equal to the nominal amount of the authorised but unissued share capital of the Company as proposed to be increased by Resolution 1 above for a period expiring (unless previously renewed, varied or revoked) 5 years after the passing of this Resolution.

**SPECIAL RESOLUTIONS**

3. THAT subject to the passing of Resolution 2 above the directors be generally empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the authority conferred by Resolution 2 as if section 89(1) of the Act did not apply to the allotment. This power expires when the authority conferred by Resolution 2 is revoked or would, if not renewed, expire, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equities pursuant to that offer or agreement.
4. THAT the existing Articles of Association of the Company be deleted in their entirety and the Articles of Association in the form annexed hereto and initialled by the Secretary be adopted in their place.

For and on behalf of Swiss Cutlery (UK) Limited

  
.....  
Authorised signatory of Swiss Cutlery (UK) Limited

28 July 2004



A02  
COMPANIES HOUSE

\*A20FZX53\*

0445  
19/08/04

A11  
COMPANIES HOUSE

\*AP1NNK0\*

0021  
03/08/04

Company Number: 05158886

**THE COMPANIES ACTS 1985-1989**

**PRIVATE COMPANY**

**LIMITED BY SHARES**

**RESOLUTIONS**

**OF**

**COBCO 642 LIMITED  
("the Company")**

By Written Resolution duly passed on the 28<sup>th</sup> day of July 2004 in accordance with s381A of the Companies Act 1985 and signed by all the Members who would have been entitled to attend and vote at a General Meeting of the company, the undermentioned Resolutions were duly passed:

**ORDINARY RESOLUTIONS**

1. THAT the authorised share capital of the Company be increased by £3,215,677 to £3,216,677 by the creation of 177 'A' Ordinary Shares of £1 each and 3,215,500 Cumulative Redeemable Preference shares of £1 each, having the rights set out in the Articles of Association of the Company as proposed to be adopted pursuant to Resolution 4 below.
2. THAT the directors be generally and unconditionally authorised, pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all powers of the Company to allot relevant securities (within the meaning of that section) up to a maximum amount equal to the nominal amount of the authorised but unissued share capital of the Company as proposed to be increased by Resolution 1 above for a period expiring (unless previously renewed, varied or revoked) 5 years after the passing of this Resolution.

**SPECIAL RESOLUTIONS**

3. THAT subject to the passing of Resolution 2 above the directors be generally empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the authority conferred by Resolution 2 as if section 89(1) of the Act did not apply to the allotment. This power expires when the authority conferred by Resolution 2 is revoked or would, if not renewed, expire, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equities pursuant to that offer or agreement.

4. THAT the existing Articles of Association of the Company be deleted in their entirety and the Articles of Association in the form annexed hereto and initialled by the Secretary be adopted in their place.

.....*St. J. W.*.....  
**Director / Secretary**

98

**THE COMPANIES ACT 1985**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**COBCO 642 LIMITED**

**Registered Number 05158886**

**Adopted by written resolution on: [ 28 July ] 2004**

**DUNDAS & WILSON CS**

191 West George Street  
Glasgow G2 2LD

Tel 0141 222 2200  
Fax 0141 222 2201  
Legal Post: LP1 Glasgow 8

FAS: 1401  
Ref: Corp/SH/BOS001.1204

ye

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION

of  
COBCO 642 LIMITED

Company Number: 05158886

Adopted by written resolution on: [ 28 July ] 2004

1. **Preliminary**

1.1 In these Articles the undernoted expressions shall have the meanings set opposite them below:

**the Act** shall mean the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

**BoS** means the Governor and Company of the Bank of Scotland, a company constituted by Act of Parliament and having its head office at The Mound, Edinburgh, EH1 1YZ;

**BoS Facility** means the facility agreements entered into between the Company and BoS on or about the date of adoption of these articles together with any associated security documents;

**BoS Group** shall mean BoS, any subsidiary or holding company of BoS or any other subsidiary of a holding company of BoS, or any body of persons which shall have acquired the whole or substantially the whole of the undertaking of any of these companies whatsoever and the expression "member of BoS Group" shall be construed accordingly;

**Benefits** shall mean all salary, fees and emoluments including sums paid by way of expenses allowance (if taxable), pension contributions and the cash value of benefits in kind;

**Business Day** means a day on which banks are open for normal business in Scotland;

**Board** shall mean the board of directors of the Company;

**Change of Control** shall mean in relation to a company that company ceasing to be within the Control of (a) the person(s) who Controlled the company at the date on which such person(s) became member(s) of the company, or (b) any subsidiary or holding company of such member or (c) any Family Trust of the shareholder(s) of such member;

**Connected Persons** shall have the meaning ascribed to it in Section 839 of the Income and Corporation Taxes Act 1988;

**Control** shall have the meaning ascribed to it in Section 840 of the Income and Corporation Taxes Act 1988;

**Equity Share Capital** means all of the Ordinary Shares and "A" Ordinary Shares for the time being in issue and **Equity Shares** shall be construed accordingly;

**Family Trust** shall mean in relation to any member 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

3c

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;

**Flotation** shall mean the admission of any share capital of the Company to the Official List maintained by the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 and to trading on the London Stock Exchange becoming effective or the granting of permission for any of the share capital of the Company to be dealt in on any recognised investment exchange (as defined in that Act);

**London Stock Exchange** means London Stock Exchange plc;

**Option Agreement** means the option agreement between Uberior Trading Limited and the Company relating to 15% of the Equity Shares in the Company and executed by the Company on or about today's date;

**Relevant Directors** shall mean the directors and former directors of the Company and its subsidiaries and their Connected Persons;

**settlor** shall mean a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

**the Statutes** shall mean the Act and any other statutory provisions from time to time affecting companies and applicable to the Company;

**the Subscription and Shareholders Agreement** shall mean the agreement between the Company, Swiss Cutlery (UK) Limited and BoS executed by the Company of even date with the adoption of these Articles;

**the Uberior Option** shall mean the option granted to Uberior Trading Limited to subscribe for 15 per cent of the Equity Share Capital of the Company in terms of the Option Agreement.

1.2 The Regulations contained in 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 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

1.3 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company. Regulation 6 of Table A shall be amended by the deletion of the words "shall be sealed with the seal" where they appear on the sixth line thereof.

## 2. Share Capital

2.1 The Share Capital of the Company is £3,216,677 divided into 1,000 Ordinary Shares of £1.00 each (hereinafter referred to as "Ordinary Shares, 177 "A" Ordinary Shares of £1 each (hereinafter referred to as "A" Ordinary Shares") and 3,215,500 cumulative redeemable preference shares of £1 (hereinafter referred to as "the Preference Share(s)").

2.2 The rights attaching to the respective classes of shares shall be as follows:-

### 2.2.1 Income

No dividend shall be paid without the consent of the holder(s) of the Preference Shares. Any profit which the Company may determine to distribute shall, if the holder(s) of the Preference Share agree in writing, be distributed amongst the holders of the Equity Shares *pro rata* according to the number of fully paid shares held by them respectively *pari passu* as if the same constituted one class of share.

92

2.2.2 Subject to Article 2.2.2.2 below the profits of the Company available for distribution in respect of any financial year shall be applied as follows:-

2.2.2.1 First in priority to the payment of any other dividend in paying to the holder of the Preference Shares the dividend in terms of this Article 2.2.2.1 ("the Preference Dividend") if due for payment. The Preference Dividend shall be a fixed cumulative preferential dividend equal to 1% of the amount subscribed for the Preference Shares which shall accrue annually on anniversary of the date of adoption of these articles and be payable upon redemption of the Preference Shares under Article 2.2.4.

2.2.2.2 Notwithstanding the provisions of Article 2.2.2.1 above no Preference Dividend shall be payable in respect of any financial year of the Company if in the reasonable opinion of the holder of the Preference Shares the Company is in breach of its financial covenants in terms of BoS Facility as at the proposed date of payment of the relevant instalment of the Preference Dividend;

2.2.2.3 For the avoidance of doubt, no dividend shall be declared or paid to the holders of Ordinary Shares in any financial year of the Company without the written consent of the holder(s) of Preference Shares unless and until:-

2.2.1.3.1 the Preference Dividend has been paid in full in respect of that financial year and in respect of all previous financial years of the Company;

2.2.1.3.2 the Preference Shares, if they have fallen due for redemption, have been redeemed.

2.2.2.4 Subject to the terms of Articles 2.2.2.1 and 2.2.2.2 above and with the prior written consent of the holder(s) of the Preference Shares the profits which the Company may determine to distribute in respect of any financial year shall be applied in distributing such balance of the profits (if any) as the Board may determine amongst the holders of the Equity Shares according to the number of fully paid shares held by such shareholders (as if the same constituted one class of share).

2.2.2.5 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Statutes the Preference Dividend shall (notwithstanding regulations 102 to 108 of Table A or any other provisions of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately to the maximum extent possible on the due date and if not then paid or not paid in full, any deficit shall be a debt due by the Company and be payable in priority to any other dividend.

2.2.2.6 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the Preference Dividend.

### 2.2.3 Capital

On a return of assets on liquidation or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied:-

gr

- 2.2.3.1 First, in paying to the holder of the Preference Shares £1 per Preference Share held together with any arrears or accruals of the Preference Dividend calculated down to the date of the return of capital;
- 2.2.3.2 Second, in paying to the holders of the Ordinary Shares the amount respectively subscribed for each share held by them together with a sum equal to any arrears and accruals of the dividends on such shares calculated down to the date of the return on capital;
- 2.2.3.3 Third, in paying to the holders of the "A" Ordinary Shares the amount respectively subscribed for each share held by them together with a sum equal to any arrears and accruals of the dividends on such shares calculated down to the date of the return on capital;
- 2.2.3.4 Fourth, the balance of such assets shall be distributed among the holders of the Equity Shares pro rata according to the number of fully paid shares held by them respectively.

#### 2.2.4 Redemption of the Preference Shares

- 2.2.4.1 Subject to the provisions of the Act and subject to prior repayment of the BoS Facility the Preference Shares may be redeemed by the Company in whole or in part at any time.
- 2.2.4.2 The Company shall (unless the holder of the Preference Shares gives notice in writing to the Company to the contrary), before any Change of Control third party refinancing or Flotation or any of its share capital shall be subject to any other marketing arrangement, redeem in accordance with the provisions of this Article 2.2.4, or procure the purchase by a third party of, the Preference Shares then in issue. Subject to Article 2.2.4.4 any such redemption or purchase shall be at a price equivalent to the amount paid up on the Preference Shares.
- 2.2.4.3 If any Preference Shares remain to be redeemed on the tenth anniversary of the date of adoption of these Articles, such shares shall be redeemed on that date.
- 2.2.4.4
  - 2.2.4.4.1 In the event that the Preference Shares are redeemed on or before the third anniversary of the date of adoption of these Articles, the redemption price shall be a sum equivalent to 15% of the amount subscribed;
  - 2.2.4.4.2 In the event that the Preference Shares are redeemed after the third anniversary of the date of adoption of these Articles, but before the fourth anniversary, the redemption price shall be a sum equivalent to 25% of the amount subscribed;
  - 2.2.4.4.3 In the event that the Preference Shares are redeemed on or after the fourth anniversary of the date of adoption of these Articles but before the fifth anniversary, the redemption price shall be a sum equivalent to 35% of the amount subscribed;
  - 2.2.4.4.4 In the event that the Preference Shares are redeemed on or after the fifth anniversary of the date of adoption of these Articles but before the sixth anniversary, the redemption price shall be a sum equivalent to 50% of the amount subscribed;

2.2.4.4.5 In the event that the Preference Shares are redeemed on or after the sixth anniversary of the date of adoption of these Articles the redemption price shall be a sum equivalent to 75% of the amount subscribed; and

2.2.4.4.6 If on any of the dates set out in Articles 2.2.4.1, 2.2.4.2 and 2.2.4.3 the Company cannot comply with the provisions of the Statutes and for the provisions contained herein relating to the redemption to be made on such dates, redemption shall take place on such later date on which the Company shall first be able to comply.

2.2.4.5 The Preference Shares to be redeemed in accordance with the foregoing provisions of this Article 2.2.4 shall be redeemed by the Company at the Registered Office of the Company.

2.2.4.6 At the time specified in Articles 2.2.4.1, and 2.2.4.2 and 2.2.4.3 above and at the place specified in Article 2.2.4.4 above, the registered holder of the Preference Shares shall be bound to surrender to the Company the certificate for the share which is redeemed in order that the same may be cancelled, and upon such surrender, the Company shall pay such registered holder the amount payable in respect of such redemption.

### 3. Class Rights

3.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of 75% of the issued shares of that class. Without prejudice to the generality of this Article, the special rights attached to the Preference Shares shall be deemed to be varied:-

3.1.1 by the grant of any option or other right to subscribe for shares (other than in connection with an employee incentive scheme which shall affect no more than 10% of the Equity Share Capital) and by any alteration or increase or reduction or subdivision or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries other than any of the foregoing required by or resulting from or in consequence of the Uberior Option; or

3.1.2 by the disposal of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof or by the disposal of any share in the capital of any subsidiary of the Company; or

3.1.3 by the winding up of the Company; or

3.1.4 the redemption of any of the Company's shares (otherwise than pursuant to these articles) or by the entering into of a contract by the Company to purchase any of its shares; or

3.1.5 by any alteration of the Company's memorandum or articles of association; or

3.1.6 by any alteration of the Company's accounting reference date; or

3.1.7 by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this article be a variation of the class rights of the Preference Shares.

32

4. **Transfer of BoS Shares**

- 4.1 Notwithstanding any other provisions of these Articles a transfer of shares in the Company held by any member of BoS Group may be made between the member of BoS Group holding such shares and any other member of BoS Group without restriction as to price or otherwise and the directors shall register any such transfer. Save as provided by these Articles, no member of the BoS Group shall be entitled to transfer any shares in the Company and the directors shall refuse to register any such transfer.

5. **Transfer of Shares - General**

- 5.1 The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register (and shall 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 the 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.

6. **Limitation on Transfer**

- 6.1 Notwithstanding any other provision of these Articles to the contrary, no sale or transfer of the legal or beneficial interest in any shares in the share capital of the Company shall be made or registered if it would result in a Change of Control (taking into account any exercise or intended exercise of the Uberior Option) unless:-

6.1.1 BoS and Uberior have received prior written notice of such sale or transfer and have not less than fourteen days to exercise the options to subscribe for shares in the Company respectively held by them (if not already exercised); and

6.1.2 after the expiry of such fourteen day period and before the transfer is lodged for registration the proposed transferee or transferees or his or their nominees has or have offered to purchase (i) the Preference Shares at a price of £ 1 per share and (ii) all the other shares in the Company at the Specified Price (as hereinafter defined)

- 6.2 The expression "the Specified Price" shall mean the higher of:- (i) a price per share of the amount originally subscribed or deemed to have been subscribed for such share plus (a) a sum equal to any arrears, deficiency and accruals of the dividends payable on such shares calculated down to the date of sale or transfer and (b) all the tax credits that would have related to such dividends if such dividends had been paid; and (ii) a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other Equity Shares in the capital of the Company plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such shares, provided that if any part of the price per share is payable otherwise than by cash the transferor may at its option elect to take a price per share of such cash sum as may be agreed by it having regard to the substance of the transaction as a whole, and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire, who shall act as an expert and not as an arbiter and shall be nominated by the parties concerned or failing agreement as to such nomination shall be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland and the decision of such umpire shall be final and binding.

- GC
- 6.3 Provided such an offer as is described in article 6.2 is received, the holders of (i) all the Preference Shares and (ii) all other shares in the Company shall be bound to accept such offer and shall do all things and execute all documents necessary to give effect to the sale of the relevant shares pursuant to such offer. In the event such shareholders do not comply with this clause each of such shareholders shall be deemed to have irrevocably appointed the Company as his attorney to execute any document and to the sale and to receive the purchase price of the relevant shares which shall be held on trust for the selling shareholders. The receipt of the company shall be a valid discharge of the purchaser of the relevant shares for payment of the purchase price.
- 6.4 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 9.

**7. Voting Rights**

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative shall have one vote for every Equity Share in the capital of the Company of which he is the holder; Provided that the holder of the Preference Shares shall be entitled to receive copies of circulars to shareholders and debenture holders and to receive notice of and to attend all General Meetings of the Company but not to vote thereat.

**8. Appointment of Directors**

- 8.1 The maximum number of directors at any one time holding office shall be 5 and the minimum number one.
- 8.2 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. In addition, the holders of shares representing more than half of the shares which carry the right to attend and vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

**9. Proceedings of Directors**

- 9.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.
- 9.2 Any director (or, where appropriate, his alternate director) may participate in a meeting of the directors by means of conference telephone or other communications equipment whereby all parties participating at the meeting can hear and speak to one another and participation in this manner shall be deemed to constitute presence in person at such meeting. In any such meeting, the place where the majority of the directors are present, or, in any case where there is no majority, the place where the chairman of the meeting is present, shall be deemed to be the place of the meeting.

**10. Directors Interests**

- 10.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- 10.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

- 8
- 10.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
  - 10.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
  - 10.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
  - 10.1.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this article.
- 10.2 For the purpose of this article:
- 10.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
  - 10.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
  - 10.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

## **11. Directors' Borrowing Powers**

- 11.1 The directors may exercise all the powers of the Company (whether express or implied):-

- 11.1.1 of borrowing or securing the payment of money;
- 11.1.2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and
- 11.1.3 of mortgaging or charging the property assets and uncalled capital of the Company and (subject to section 80 of the Act) of issuing debentures

but so that except with the previous sanction of the holder of the Preference Shares no mortgage or charge shall be created on any part of the undertaking property or assets of the Company or any subsidiary of the Company except for the purpose of securing moneys borrowed from any member of BoS Group with interest thereon and from bankers with interest thereon and bank charges.

## **12. Indemnity**

Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or 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 the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or 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.

13. **Special Director**

Notwithstanding any limitation on the number of Directors imposed by these Articles so long as any member of BoS Group is the holder of any Shares in the capital of the Company such member(s) shall be entitled to appoint as a Director of the Company any one person and to remove from office any person so appointed and to appoint another one person in his place ("the Special Director"). Any appointment or removal in terms of this paragraph shall be effected by notice in writing signed by such member(s) of BoS Group and delivered to the registered office of the Company. The Special Director appointed in terms of this Article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation and the remuneration to be paid by him shall be payable by the Company and shall be the sum as shall for the time being be agreed for that purpose between the Company and him or failing such agreement such reasonable sum as shall be fixed by BoS. Upon request by such member(s) of BoS Group the Company shall also procure that a Special Director appointed in terms of this paragraph be appointed a Director to any subsidiary of the Company.

14. **Observer**

- 14.1 At any time when BoS (or any person to whom BoS transfers Shares pursuant to the Articles) is a holder of any Preference Share in the Company, BoS may by notice in writing expressed to be given pursuant to this Article 17.1 addressed to the Company and delivered to the Company's registered office appoint an observer and remove from office any person so appointed and appoint another person in his place.
- 14.2 The observer shall be entitled to receive notice of all meetings of the Board and all meetings of any committee of the board. The Company shall procure that the observer is similarly entitled to receive notice of all meetings of the boards of all other members of the Group and all meetings of all committees of such boards. The observer shall be given all notices, agendas, minutes and other papers relating to such meetings as the relevant directors may be entitled to receive at the same time as such information is provided to the relevant directors. The observer shall be entitled to attend all meetings of the Board, all meetings of any committee of the Board, all meetings of the boards of all other members of the Group and all meetings of all committees of such boards if (in every case) the Special Director (or his alternate) does not attend or is not deemed to be present. The observer shall be entitled to speak at any meeting at which he is entitled to attend but shall not be entitled to vote at any such meeting in his capacity as an observer.
- 14.3 The observer may disclose any information he receives as such observer to his appointer or any holding company or subsidiary of his appointer or to their investment advisers.