

Sc182368

OCEAN POWER DELIVERY LIMITED (the "Company")

WRITTEN RESOLUTION OF THE MEMBERS OF THE COMPANY

By a Written Resolution passed in accordance with the Company's Articles of Association on 18 March 2002, it was resolved that:

THAT

1. the authorised share capital of the Company be increased from £250 to £250,000 by the creation of an additional 999,000 shares of £0.25 each, divided into 499,000 ordinary shares and 500,000 A shares.
2. the Company declare a bonus issue of 492,507 ordinary shares to the existing shareholders of the Company as at the date hereof on the basis of 999 ordinary shares for every one ordinary share registered in the name of the existing shareholders of the Company as at the date hereof and the consequential capitalisation of £123,126.75 in value of the Company's share premium account
3. the proposed new objects clause in terms of the Company's Memorandum of Association and the proposed new Articles of Association of the Company attached hereto for the purposes of identification only be adopted as the objects clause of the Memorandum of Association and the Articles of Association of the Company in substitution for and to the entire exclusion of the existing objects clause in the Memorandum of Association and the Articles of Association
4. the directors of the Company be and are hereby unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot relevant securities up to a nominal value of £250,000 at any time or times during the period of 5 years from the date of this Resolution.
5. the provisions of Section 89 (1) of the Companies Act 1985 shall not apply to any allotment affected pursuant to the foregoing authority.

CERTIFIED as having being validly passed

.....*N.R.Q.*.....

Secretary





MCCLURE NAISMITH

The Determining Factor

THE COMPANIES ACT 1985-1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

OCEAN POWER DELIVERY LIMITED

pgw kr 9017.1

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THE COMPANIES ACTS 1985 - 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

OCEAN POWER DELIVERY LIMITED

(Adopted 18 March 2002)

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1.1 In these Articles "Table A" means Table A contained in the Companies (Tables A to F) Regulations 1985 forming part of the Companies Act 1985, and "the 1985 Act" means the Companies Act 1985.

1.2

1.2.1 The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The Regulations of Table A numbered, 40, 41, 54, 64, 73 to 80 inclusive, 87, 89, 91, 94-98, 101 and 118 shall not apply, but, subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

1.2.2 In Regulation 6 of Table A the words"shall be sealed with the seal and".... shall be deleted where they appear in the second sentence.

DEFINITIONS

1.3 In these Articles the following words and phrases have the meanings set out opposite them below:

"3i" 3i Group plc, a company registered under the Companies Acts (registered number 1142830) and having its registered office at 91 Waterloo Road, London and "a member of the 3i Group" shall mean 3i, any subsidiary of 3i, and any company of which 3i is a subsidiary;

"A Shares" means convertible redeemable shares of £0.25 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

"Acting in Concert" shall have the meaning given to it in the most recent edition of the City Code on Takeovers and Mergers;

"Approved Budget"	means the annual budget of the Company in respect of each financial year of the Company as approved by an Investor Majority;
"Bad Leaver"	means an Employee Member who ceases to be a director or employee of the Company as a result of dismissal for fraud, wilful concealment or gross misconduct;
"Connected Persons"	as defined by section 839 Income and Corporation Taxes Act 1988;
"a Controlling Interest"	an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the 1985 Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;
"The Drag-Along Percentage"	means the holders of 100% of the A Shares between the second and third anniversary of the date of the adoption of these Articles, and an Investor Majority at any time after the third anniversary of the date of the adoption of these Articles;
"Employee Member"	a person who holds Ordinary Shares and is or has been a director and/or an employee of the Company;
"Equity Shares"	means the Ordinary Shares and A Shares in the capital of the Company;
"Expert"	an independent chartered accountant (who shall act as an expert and not as an arbiter) nominated by the parties concerned or in the event of disagreement, appointed by the President for the time being of the Institute of Chartered Accountants of Scotland;
"Founders"	means Richard Yemm, David Pizer and Christopher Retzler;
"Hydro"	means Norsk Hydro Technology Ventures AS, having its registered office at Bygdøy Alle 2, 0240, Oslo, Norway and "a member of the Hydro Group" shall mean Hydro, any subsidiary of Hydro, Hydro Parent Company, and any subsidiary of Hydro Parent Company;
"Hydro Parent Company"	means Norsk Hydro ASA, having its registered office at at Bygdøy Alle 2, 0240, Oslo, Norway;

"Intellectual Rights"	Property	means any and all intellectual property rights howsoever called of any nature currently owned and/or used by the Company, whether registered, registerable or otherwise including without limitation patents, trade marks, registered designs, applications for any of the foregoing, including all related know-how and technical information;
"Investor Majority"		means the holders of not less than 66% of the A Shares and where any matter requires the consent of SAM, such consent may be given and shall be deemed to have been given by SAM Equity in its capacity as general partner of both SPE-E and SPE-S;
"Investor Director"		means a director appointed by Hydro, SAM or 3i pursuant to Article 19, 20 or 21;
"Investors"		means Hydro, SAM, and 3i and their respective successors and permitted assignees as holders of A Shares;
"Listings" and "Listed"		means: - <ol style="list-style-type: none"> (1) the listings of any of the Company's Equity Shares on The London Stock Exchange plc; or (2) the granting of an application by the Company for the dealing in the Company's Equity Shares on any other public securities market (including the Unlisted Securities Market);
"Non-Participating Investor"		means any Investor not fully participating in any subsequent round of investment in the Company on terms agreed among the Investors;
"Ordinary Member"		means any person holding Ordinary Shares in the Company;
"Ordinary Shares"		means ordinary shares of £0.25 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
"Permitted Family"		means: <ol style="list-style-type: none"> (1) the spouse of an Ordinary Member; and

(2) Ordinary Members' children (including step and adopted children);

"Permitted Share Option Scheme" means the employee share option scheme to be created by the Company pursuant to the provisions of the Enterprise Management Initiative under the Finance Act 2000 whereby the Company will be entitled to grant options over Ordinary Shares representing up to 8% in nominal value of the Equity Share Capital at the time of grant;

"Redemption Amount" means the subscription price per A Share;

"SAM" means, together, SAM Sustainability Private Equity LP ("SPE-E") and SAM Private Equity Energy Fund LP ("SPS-S") both having a place of business at P.O. Box 255 Barfield House, St Julian's Avenue, St. Peter Port, Guernsey House "a member of the SAM Group" shall mean SAM, any subsidiary of SAM and any company of which SAM is a subsidiary, SAM Equity and any limited partnership in which SAM Equity is the general partner and any subsidiary of SAM Equity and any company of which SAM Equity is a subsidiary;

"SAM Equity" means SAM Equity Partners Limited, a company incorporated under the laws of Guernsey and having its registered office at P.O. Box 255 Barfield House, St. Julian's Avenue, St Peter Port, Guernsey;

"Termination Date" means in the case of a Bad Leaver the date on which his contract of employment was terminated by the Company as a result of dismissal for fraud, wilful concealment or gross misconduct or if applicable, the date when such dismissal was upheld by a relevant court or tribunal; and

"the Warrant Instrument" means the grant of warrant by the Company in favour of the Investors of even date with the adoption of these Articles.

1.4 Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the 1985 Act or any modification thereof in force at the date at which these Articles are adopted by the Company.

PRIVATE COMPANY

2 The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARES

- 3 The authorised share capital of the Company at the date of the adoption of these Articles is £250,000 divided into 500,000 Ordinary Shares and 500,000 A Shares.
- 4 The pre-emption provisions of Section 89(1) and Sub-sections (2) and (6) of Section 90 of the 1985 Act shall not apply to any allotment of the Company's equity securities.
- 5 Other than as provided for in the Warrant Instrument and other than any grant of an option pursuant to the Permitted Share Option Scheme, the Company shall not issue any Equity Share capital without the prior written consent of the Investor Majority.
- 6 The lien conferred by Regulation 8 of Table A shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders.

RIGHTS ATTACHING TO SHARES

- 7 The rights attaching to the Ordinary Shares and the A Shares respectively shall be as follows:

7.1 Capital

On a return of capital on liquidation or a reduction of capital, the surplus assets of the Company remaining after the payment of all liabilities shall be applied as follows:-

- 7.1.1 first, in paying to the holders of the A Shares the Redemption Amount;
- 7.1.2 second, in paying to the holders of the A Shares an additional amount equivalent to a 20% premium upon the Redemption Amount in respect of such A Shares;
- 7.1.3 third, in paying to the holders of the Ordinary Shares an amount (£x) calculated as follows: -

$$X = \frac{B \times Y}{A}$$

where: -

A is the number of A Shares in issues as at the date of any such return of capital;

B is the number of Ordinary Shares in issue as at the date of any such return of capital; and

Y is the aggregate amount paid to the holders of A Shares pursuant to Articles 7.1.1

- 7.1.4 fourth, any surplus assets of the Company shall be distributed among the holders of the Equity Shares as if they were members of the same class *pro rata* to the amounts paid up or credited as paid up thereon and rateably according to the number of shares held by them respectively.

7.2 As regards conversion

- 7.2.1 At any time or times hereafter the holder of any of the A Shares (hereinafter referred to as "a Converting Member") may convert the whole or any part of the A Shares held by it into Ordinary Shares on the basis of one Ordinary Share for every one A Share so converted.
- 7.2.2 Such conversion shall be effected by notice in writing to that effect ("the Conversion Notice") signed by the Converting Member and delivered to the Company at its Registered Office for the time being. Such Conversion Notice shall be delivered to the Company on the reverse of the Converting Member's certificate for his shares in the Company.
- 7.2.3 Upon the date of receipt by the Company of any such Conversion Notice ("the Conversion Date") all special rights and restrictions attached under these Articles to the A Shares specified in the Conversion Notice shall cease to apply thereto and the A Shares so specified shall *ipso facto* become Ordinary Shares in the capital of the Company and shall rank from the date of conversion *pari passu* in all respects with the other Ordinary Shares in the capital of the Company.
- 7.2.4 The Company shall despatch to the Converting Member within fourteen days of the Conversion Date a definitive certificate in its name for the Ordinary Shares arising upon conversion and a balance certificate for any A Shares comprised in the Converting Member's certificate delivered to the Company but not converted.
- 7.2.5 The A Shares shall automatically convert into Ordinary Shares on a Listing.

7.3 Redemption

- 7.3.1 Subject to the provisions of the Act and all other legislation for the time being in force affecting companies and the Company, the A Shares may be redeemed (either in whole or in part) at the option of the holders of the A Shares at any time following the fifth anniversary of the date of adoption of these Articles upon giving not less than three months' prior written notice to the Company (such notice not to be served prior to the fifth anniversary of the date of adoption of these Articles) and to the other holders of A shares of their intention to redeem and specifying the date for redemption ("the Redemption Date").

- 7.3.2 On the Redemption Date and subject to Articles 7.3.5 and 7.3.6 the Company shall pay to each holder of A Shares, having given notice of their intention to redeem, the amount payable pursuant to sub-article 7.3.3 in respect of such redemption and upon receipt of that amount each holder of A Shares shall surrender to the Company the certificate for its shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any A Shares not to be redeemed at that time the Company shall issue a fresh certificate for the balance of the A Shares not so redeemed to the holder thereof.
- 7.3.3 On the due date or dates for redemption there shall be paid on each of the A Shares redeemed as aforesaid the Redemption Amount together with a sum equal to a 20% premium upon the Redemption Amount for such A Shares.
- 7.3.4 Subject to Articles 7.3.5 and 7.3.6 the A Shares held by an A Shareholder shall be deemed to be redeemed as follows:-
- 7.3.4.1 first, the A Shares subscribed for at the most recent subscription ("First Ranking Subscription");
- 7.3.4.2 second, if applicable, the A Shares subscribed for at the subscription round prior to the First Ranking Subscription ("Second Ranking Subscription");
- 7.3.4.3 third, if applicable, the A Shares subscribed for at the subscription round prior to the Second Ranking Subscription ("Third Ranking Subscription").
- 7.3.5 In the event of the Company receiving notice of intention to redeem A Shares from another Investor prior to the Redemption Date in respect of any other notice outstanding at that time, the holder or holders of A Shares subscribed pursuant to the First Ranking Subscription shall be redeemed in priority to any A shares subscribed pursuant to the Second Ranking Subscription or the Third Ranking Subscription by the Investor who gave notice first.
- 7.3.6 The provisions of Article 7.3.5 shall apply *mutatis mutandis* in relation to A shares subscribed at the Second Ranking Subscription and the Third Ranking Subscription

7.4 Voting

- 7.4.1 Subject to the rights and restrictions for the time being attached to any class or classes of shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall

have one vote and, on a poll, every member shall have one vote for each share of which he is the holder.

- 7.4.2 The words "be entitled to" shall be inserted between the words "shall" and "vote" in regulation 57 of Table A.
- 7.4.3 A member shall not be entitled to appoint more than one proxy to attend on the same occasion and accordingly the final sentence of regulation 59 of Table A shall not apply to the Company. Any proxy shall be entitled to cast the votes to which he is entitled in different ways.

7.5 Class Rights

- 7.5.1 The rights attached to the A Shares as set out in these Articles may be varied either whilst the Company is a going concern or during or in contemplation of a winding up only with the consent in writing of the holders of (1) not less than 75% of the issued share capital of the A Shares providing however that a Non-Participating Investor's consent shall only be required to the extent provided in Article 24, or (2) otherwise with the sanction of an extraordinary resolution passed at a separate meeting of the A shareholders.
- 7.5.2 *To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class, and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.*
- 7.5.3 Provided that, without prejudice to the generality of this article the special rights attached to the A Shares shall be deemed to be varied if the Company shall:-
 - 7.5.3.1 issue any share capital in or grant any option over or other right to call for the issue of its share capital (other than pursuant to a Warrant Instrument or the Permitted Share Option Scheme);
 - 7.5.3.2 take any steps to have the Company wound up whether for the purposes of amalgamation or reconstruction or otherwise unless a registered insolvency practitioner shall have advised that the Company is required to be wound up by reason of it having become insolvent;
 - 7.5.3.3 dispose of the whole or a substantial part of the Company's business or assets including any licence of Intellectual Property Rights created or owned by the Company;
 - 7.5.3.4 merge the business of the Company with any other person whether by way of disposal or acquisition;

- 7.5.3.5 alter its Memorandum and/or Articles of Association;
- 7.5.3.6 declare or pay any dividend or distribution on or in respect of any of its share capital;
- 7.5.3.7 take any steps to effect a Listing;
- 7.5.3.8 subscribe for, purchase or acquire or dispose of any shares (including its own shares), debentures, debenture stock, mortgages or securities or interest in any other company, trust partnership or other body;
- 7.5.3.9 incorporate or otherwise set up or acquire or dispose of any subsidiary or associated company; and
- 7.5.3.10 create any security or charge or grant any indemnity, surety or guarantee or like assurance of third party obligations.

SHARE TRANSFERS

- 8 The Directors shall refuse to register any transfer of shares not made in accordance with the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. The directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence of the foregoing as the directors reasonably think necessary or relevant failing which after expiry of one month from such request the directors shall be entitled to refuse to register the transfer.

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9.1 Permitted transfers by 3i

- 9.1.1 Notwithstanding any other provisions of these Articles a transfer of any shares in the Company held by any member of the 3i Group may be made between the member in the Group holding such shares and any other member in the 3i Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the 3i Group it shall forthwith transfer the relevant shares to a member of the 3i Group.
- 9.1.2 Notwithstanding any other provision of these Articles a transfer of any shares in the Company held by any member of the 3i Group may be made between the member in the 3i Group holding such shares and any member of the Hydro Group or the SAM Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the Hydro Group or the SAM Group, it shall forthwith transfer the relevant shares to a member of the Hydro or the SAM Group as the case may be.

9.2 Permitted transfers by Hydro

- 9.2.1 Notwithstanding any other provisions of these Articles a transfer of any shares in the Company held by any member of the Hydro Group may be made between the member in the Group holding such shares and any other member in the Hydro Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the Hydro Group it shall forthwith transfer the relevant shares to a member of the Hydro Group.
- 9.2.2 Notwithstanding any other provision of these Articles a transfer of any shares in the Company held by any member of the Hydro Group may be made between the member in the Hydro Group holding such shares and any member of the 3i Group or the SAM Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the 3i Group or the SAM Group, it shall forthwith transfer the relevant shares to a member of the 3i Group or the SAM Group as the case may be.

9.3 Permitted transfers by SAM

- 9.3.1 Notwithstanding any other provisions of these Articles a transfer of any shares in the Company held by any member of the SAM Group may be made between the member in the Group holding such shares and any other member in the SAM Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the SAM Group it shall forthwith transfer the relevant shares to a member of the SAM Group.
- 9.3.2 Notwithstanding any other provision of these articles a transfer of any shares in the Company held by any member of the SAM Group may be made between the member in the SAM Group holding such shares and any member of the 3i Group or the Hydro Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the 3i Group or the Hydro Group, it shall forthwith transfer the relevant shares to a member of the 3i Group or the Hydro Group as the case may be.

9.4 Permitted transfers by the Founders and Employee Members

- 9.4.1 Notwithstanding any other provisions of these Articles, any shares held by the Founders or Employee Members shall be freely transferable to Permitted Family or to any other person approved in writing by the Investors.
- 9.4.2 Subject to sub-article 9.4.1, any shares held by the Founders may only be transferred with the prior written consent of the Investor Majority.

RESTRICTIONS ON TRANSFER OF SHARES - ORDINARY SHARES

10 Limitations on Transfer

10.1 Ordinary Share Transfer Procedure

- 10.1.1 Save as otherwise provided in these Articles any member wishing to transfer any Ordinary Shares ("the Vendor") shall give to the Company notice to that effect in writing ("a Transfer Notice"). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices shall constitute the Company the Vendor's agent for the sale of all shares specified therein (hereinafter called "the Sale Shares") in one or more lots at the discretion of the directors and at a price to be determined hereinafter for the Sale Shares (hereinafter called "the Sale Price").
- 10.1.2 The Sale Price shall be agreed between the Vendor and the directors. If the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Sale Price will instead be the price which the Expert shall certify to be their fair value. The Expert will value the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares if they represent a minority interest and assuming that the Sale Shares can be freely transferred. The Expert's decision on the Sale Price shall be final and binding.
- 10.1.3 The Sale Price of a Bad Leaver's shares shall not exceed the original subscription price of the Sale Shares.
- 10.1.4 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ("a Total Transfer Condition") that unless all the shares comprised therein are sold by the Company none shall be sold.
- 10.1.5 If the Expert is asked to certify the fair value, his certificate shall be delivered to the Company. As soon as the Company receives the Certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels it in which case the Vendor shall bear the cost.
- 10.1.6 Once the Sale Price has been determined then unless the Vendor gives a valid notice of cancellation, the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

10.2 Ordinary Shares - First Offer Round

10.2.1 As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to all holders of the Ordinary Shares (other than the Vendor) in proportion as nearly as may be to the respective numbers of Ordinary Shares held by such members.

10.2.2 Any offer made by the Company under this sub-article will invite the relevant Ordinary Members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for 21 days ("the First Offer Period").

10.3 Ordinary Shares - Second Offer Round

10.3.1 If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such Ordinary Members as have stated in writing their willingness to purchase all the shares previously offered to them.

10.3.2 This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of Ordinary Shares held by the relevant Ordinary Members. This offer will remain open for a further period of 21 days ("the Second Offer Period"). Thereafter the Company shall continue to make offers on the same terms while any Ordinary Member continues to state in writing his willingness to purchase all shares offered to him.

10.4 Ordinary Shares - Third Offer Round (A Shareholders)

10.4.1 If at the end of the Second Offer Period there are any Sale Shares offered which have not been allocated to the Ordinary Members the Company shall offer such shares remaining to the Investors in the proportion as nearly as may be to the respective numbers of A Shares held by the respective Investors.

10.4.2 Any Offer made by the Company under this sub-article will invite the relevant Investor to state in writing the maximum number of shares offered to them that they wish to purchase and will remain open for 21 days ("the Third Offer Period").

10.5 Ordinary Shares - Fourth Offer Round (A Shareholders)

10.5.1 If at the end of the Third Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to any Investor as has stated in writing their willingness to purchase all the shares previously offered to them.

10.5.2 This offer will invite the relevant Investor to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares

to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of A Shares held by the Investor. This Offer will remain open for a further period of 21 days.

- 10.6 If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Vendor must on receipt of the Sale Price transfer the Sale Shares (or those for which the Company shall have found a purchaser(s)) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members accordingly.
- 10.7 If the Company does not find purchasers for all of the Sale Shares under the terms of this article the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price, subject to observing any Total Transfer Condition.
- 10.8 Any attempted transfer of Ordinary Shares not in accordance with the provisions of these articles shall be void and have no effect.
- 10.9 **Bad Leaver Provisions**
 - 10.9.1 Unless otherwise agreed by the Investor Majority, notice in writing ("Bad Leaver Notice") shall be deemed to have been served by a Bad Leaver on the Termination Date in respect of:
 - 10.9.1.1 all shares held by the Bad Leaver immediately before such cessation; and
 - 10.9.1.2 all shares then held by the Bad Leaver's Permitted Family (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Bad Leaver or (ii) by reason of their connection with the Bad Leaver, and the decision of the Investor Majority in this respect will be final.
 - 10.9.2 Notwithstanding any other provision of these Articles, unless each of the Investors agrees otherwise in relation to any shares, any member holding Ordinary Shares in respect of which Bad Leaver Notice is deemed to have been given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those shares on and from the date of the relevant Bad Leaver Notice until the entry in the register of members of the Company of another person as the holder of those shares.
- 10.10 If a Bad Leaver Notice is deemed to have been given pursuant to this Article 10 then the Investor Majority or the Company may within 21 days of the Termination Date require that all or any shares to which such Bad Leaver Notice relates should be

made or kept available either for any person or persons who is or are (an) existing director(s) and/or employee(s) of the Company or a person (whether or not then ascertained) who it is proposed should be appointed as a director and/or employee of the Company whether or not in place of the person by whom the relevant Bad Leaver Notice is deemed to have been given ("a New Employee") in which case such shares ("the Employee Shares") shall either be offered to the New Employee(s) (and, in the case of more than one, in the proportions) specified by the Investor Majority (conditional, in the case of any prospective director and/or employee upon his taking up his proposed appointment with the Company (if not then taken up)); or

- 10.11 if the Investor Majority so require, be offered to persons designated by the Board (in the event of their acquiring the Employee Shares) upon trust for a New Employee as and when appointed.

RESTRICTIONS ON TRANSFER OF SHARES - A SHARES

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- 11.1 Any Investor wishing to transfer A Shares ("a Proposing Investor") to a person other than an existing Investor or a member of the Hydro Group, 3i Group or SAM Group as the case may be shall give to the remaining Investors notice in writing to that effect ("an Investor Transfer Notice").
- 11.2 The remaining Investors shall, within 14 days of receipt of an Investor Transfer Notice indicate to the Proposing Investor whether they wish to purchase the Proposing Investor's Shares and, if so the maximum number of shares they would wish to purchase. If the remaining Investors (or either of them) indicate to a Proposing Investor that they may wish to purchase the Proposing Investor's Shares, the Proposing Investor and the remaining Investors shall negotiate in good faith with a view to agreeing a price for the A Shares which are the subject of the Investor Transfer Notice and failing agreement as to price within a period of 21 days after the date on which the remaining Investors indicated their interest in acquiring such shares pursuant to this sub article, the Proposing Investor shall be free to seek a third party purchaser for such shares (a "Third Party Purchaser"), but they shall not conclude any sale without first complying with the provisions of Article 11.3.
- 11.3 In the event of the Proposing Investor receiving an offer for those A Shares from a Third Party Purchaser, the Proposing Investor shall be obliged to offer such shares to the remaining Investors at a price equal to, and so far as is practical on the same terms as are offered by, the Third Party Purchaser ("the Third Party Price") and any such shares shall be offered to the remaining Investors in proportion as nearly as may be to the respective numbers of A Shares held by them, prior to any sale to a Third Party Purchaser. Such an offer shall disclose full terms and conditions of the Third Party Price. The remaining Investors, or either of them, shall then have a period of 21 days from the date of such offer within which to indicate to the Proposing Investors, by notice in writing, whether they wish to purchase the shares subject to the Investor Transfer Notice at the Third Party Price and in what proportions. In the event that they do so indicate, the Proposing Investor shall be obliged to complete the sale of such shares to the remaining Investors at the Third Party Price.

- 11.4 The Proposing Investor shall not be obliged to sell some only of the shares which are the subject of an Investor Transfer Notice and may require that unless all the shares comprised therein are sold, none shall be sold.
- 11.5 If the remaining Investors are unwilling to purchase the A Shares which are the subject of the Investor Transfer Notice the Proposing Investor shall at any time within six months after the date of the offer by the Proposing Investor to the remaining Investors be free to sell and transfer the A Shares to the Third Party Purchaser at a price which is no less than the Third Party Price.
- 11.6 Any attempted transfer of A Shares not in accordance with the provisions of these Articles shall be void and have no effect.

TAG ALONG

- 12 No sale or transfer of any shares in the Company may be made or validly registered if as a result a Controlling Interest would be obtained in the Company by a person(s) who are not members of the Company at the date of adoption of these Articles unless the proposed transferees are independent third parties acting in good faith and have previously offered in writing to purchase all of the A Shares at the price per share (in cash or non-cash consideration) equal to the price offered by the proposed transferees for the Ordinary Shares together with any other consideration received or receivable by the holders of those Ordinary shares which could be regarded as an addition to the price paid or payable provided that in no circumstance shall such price paid be less than the Redemption Amount.

DRAG ALONG

- 13
- 13.1 If not less than the Drag Along Percentage of the Investors propose to sell the beneficial interest in its entire holding of A Shares in the Company and procures that an offer is made by the proposed transferee (or any person Acting in Concert with it) ("the Offerors") to the holders of all the Ordinary Shares in the Company and that offer ("the Drag Along Offer") complies with the requirements of Article 13.1.5 the Investors shall have the right ("the Drag Along Right") to require all of the holders of Ordinary Shares in the Company ("the Called Shareholders") to accept the Drag Along Offer in full.
- 13.1.1 The Drag Along Right may be exercised by the Investors serving notice to that effect ("the Drag Along Notice") on the Called Shareholders at the same time as or within 14 days following, the making of the Drag Along Offer.
- 13.1.2 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Investors do not transfer its entire holdings of A Shares to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of shares pursuant to acceptance of the Drag Along Offer.

13.1.3 Each of the Called Shareholders shall be bound to accept the Drag Along Offer made to him in respect of his entire holding of Ordinary Shares and to transfer such shares in accordance with the provisions of the Drag Along Offer.

13.1.4 If any Called Shareholder fails to accept the Drag Along Offer or, having accepted such offer, fails to complete the sale of any of its shares pursuant to the Drag Along Offer or otherwise fails to take any action required of it under the terms of the Drag Along Offer the Investors or the board of directors of the Company (or any of them) may authorise any person to accept the Drag Along Offer on behalf of the Called Shareholder in question or undertake on his behalf any other action required under the terms of the Drag Along Offer.

13.1.5 The Drag Along Offer shall be on terms that:

13.1.5.1 it will open for acceptance in the United Kingdom for a period of at least 28 days following the making of the offer;

13.1.5.2 each member to whom it is made shall be entitled to receive, for each of the Ordinary Shares held by him, not less than the consideration offered to the Investors for each of the A Shares held by it by the proposed purchaser or any person Acting in Concert with the proposed purchaser, which shall be deemed to include any consideration (in cash or otherwise) paid or payable by such purchaser or person Acting in Concert which, having regard to the substance of the transaction as a whole, may reasonably be regarded as an addition to the price so paid or payable.

13.1.6 The purchase of any shares in respect of which such offer is accepted shall be completed at the same time as the sale by the Investors of its holding of A Shares to the Offerors and after such an Offeror or his nominee has been registered as the holder of shares transferred in accordance with this Article 13 the validity of such transaction shall not be questioned by any person.

13.1.7 No Drag Along Notice may be served earlier than the second anniversary of the date of adoption of these Articles.

PROCEEDINGS AT GENERAL MEETINGS

14 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that which is transacted at an annual general meeting with the exception of the consideration of the accounts, balance sheets and the reports of the Directors and auditors, the appointment of, and the fixing of the remuneration of, the auditors.

15 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such

other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

- 16 No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or proxy for a member or a duly authorised representative of a corporation, one of whom shall be a an Investor or a proxy or duly authorised representative of an Investor, shall be a quorum.
- 17 It shall not be necessary to give any notice of an adjourned meeting and Regulation 45 of Table A shall be construed accordingly.
- 18 A poll may be demanded by the Chairman or by any Member present in person or by proxy and entitled to vote and Regulation 46 of Table A shall be modified accordingly.

INVESTOR DIRECTORS

- 19 Notwithstanding any other provisions of these Articles, so long as Hydro or any member of the Hydro Group is the holder of any A Shares in the Company, it shall be entitled to appoint as a director of the Company any persons and to remove from office such persons so appointed and to appoint another person in his place. The remuneration and reasonable expenses to be paid to the Hydro appointee shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by Hydro; provided that the right to appoint a director shall cease if Hydro become a Non Participating Investor and in such an event Hydro shall forthwith remove from office as a director of the Company, its nominated representative.
- 20 Notwithstanding any other provisions of these Articles, so long as SAM or any member of the SAM Group is the holder of any A Shares in the Company, it shall be entitled to appoint as a director of the Company any person and to remove from office any such person so appointed and to appoint another person in his place. The remuneration and reasonable expenses to be paid to the SAM appointee shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by SAM; provided that the right to appoint a director shall cease if SAM become a Non Participating Investor and in such an event SAM shall forthwith remove from office as a director of the Company, its nominated representative.
- 21 Notwithstanding any other provision of these Articles, so long as 3i or any member of the 3i Group is the holder of any A Shares in the Company, it shall be entitled to appoint as a director of the Company any person and to remove from office any person so appointed and to appoint any person in his/her place. The remuneration and reasonable expenses to the 3i appointee shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by 3i; provided that the right to appoint a director shall cease if 3i become a Non Participating Investor and in such an event 3i shall forthwith remove from office as a director of the Company, its nominated representative.
- 22 In addition to an Investor Director, each Investor shall be entitled by notice in writing to the Company to appoint any one person to attend as an observer at board meetings of the

Company and to remove such person and replace them with another. Such observer shall be entitled to speak at such meetings and shall be entitled to receive notice of such meetings as if he were an Investor Director but he shall not be entitled to vote.

- 23 Notwithstanding any other provisions of these Articles, the Investor Majority shall have the right to nominate any person acceptable to the board acting reasonably as the external, non-executive director ("the External Director"). The reasonable expenses paid to the External Director shall be paid by the Company, and if so required by the Investor Majority, the External Director shall act as chairman of the board.

NON-PARTICIPATING INVESTOR

24

- 24.1 Where in the Articles any matter requires the consent of an Investor, in the case of a Non-Participating Investor, their consent shall not be required for the purposes of Articles 7.5.3.1, 7.5.3.6, 7.5.3.7, 7.5.3.9 and 7.5.3.11.
- 24.2 The consent of a Non-Participating Investor shall only be required in respect of Article 7.5.3.5 to the extent that any proposed amendments to the Company's Memorandum and Articles of Association alter the rights attaching to A Shares pursuant to Article 7.
- 24.3 For the avoidance of doubt, the consent of the Non-Participating Investor shall not be required in respect of a licence of the Intellectual Property Rights pursuant to Article 7.5.3.3.

NUMBER OF DIRECTORS

- 25 Unless otherwise determined by the Investor Majority the maximum number of directors shall be seven of which three shall be Investor Directors and one shall be the External Director.

MEETINGS OF DIRECTORS

- 26 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. Meetings of the directors may, be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.
- 27 The quorum for transaction of business of the directors shall (unless otherwise determined by the board) be two of whom one shall be an Investor Director. If a quorum is not present within half an hour of the time of the meeting of the directors, the meeting shall be adjourned to a date determined by those who are present and those present at the adjourned meeting will form the quorum. Any person who holds office only as an alternative director shall, if his appointer is not present, be counted in the quorum.

DIRECTORS

- 28 The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Section 80 of the 1985 Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

- 29 Without prejudice to the obligation of any Director to disclose his interest in accordance with Section 317 of the 1985 Act a Director may vote as a Director in regard to any contract, transaction or arrangement in which he is interested, or upon any matter arising therefrom, and if he does so vote his vote shall be counted and he shall be reckoned in calculating a quorum when any such contract transaction or arrangement is under consideration.

- 30 A Director shall not retire by rotation and the words "...by rotation or otherwise..." where they appear in Regulation 67 of Table A shall be deleted.

- 31 No person shall be or become incapable of being appointed a Director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no Director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age.

- 32 Notwithstanding any other provision in these Articles, the directors shall not, without the prior consent of the Investor Directors:-
 - 32.1 incur borrowings (except from the Company's bankers in the ordinary and proper course of the Company's normal activities) in excess of a maximum sum outstanding at any time of £50,000;
 - 32.2 incur or agree to incur during any capital expenditure in excess of £50,000 over any sum budgeted therefor in an Approved Budget;
 - 32.3 make any alterations to the terms of any contract of employment between the Company and any director or employee or increase their remuneration by more than the increase in the Retail Price Index plus 3 points in each year, save that this paragraph shall only apply in the case of employees with a total remuneration package (including bonuses) in excess of £35,000;
 - 32.4 engage or dismiss any director or employee at a total remuneration in excess of £35,000;
 - 32.5 grant any options pursuant to the Permitted Share Option Scheme (in respect of which Board approval and the consent of the Investor Directors shall not be unreasonably withheld);
 - 32.6 incur any expenditure not provided for in an Approved Budget;
 - 32.7 sell, licence, transfer or acquire any Intellectual Property Rights;

- 32.8 appoint any additional directors of the Company; or
- 32.9 create any committee of the Board.

INDEMNITIES

- 33 Every Director, Managing Director, Agent, Auditor, Secretary or other officer of the Company shall 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 Sections 144 and 727 of the 1985 Act, 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. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the 1985 Act.

SERVICE OF NOTICES

- 34
- 34.1 Any Notice to be served pursuant to these Articles, may be served by leaving it at the address provided for service or by posting by first class mail, facsimile or otherwise transmitting in printed form said Notice to the said address provided for service. Such Notice shall be deemed to have been properly served, if posted, at the expiration of twenty four hours after posting; if by facsimile on the day it is sent; and in the case of other forms of transmission on the date on which it should be received by the recipient in the normal course of such form of transmission. In proving service of Notice by post it shall be sufficient to prove that the envelope containing the same was properly addressed, stamped and posted; and in the case of facsimile that the transmission receipt appeared on the sender's copy of transmission.
- 34.2 In Regulation 112, the words "an address within the United Kingdom at which notices may be given to him, and "but, otherwise, no such member shall be entitled to receive any notice from the company" where they appear in the second sentence shall be deleted.

N. R. Q.
Secretary

The Company's objects are:-

- (1) Primarily, but without prejudice to the other objects of the Company, to carry on, in all or any of their branches, all or any of the following trades or businesses, namely:-

any business or undertaking of any description and all trade connected therewith or resultant therefrom either itself or through subsidiary companies in the United Kingdom or elsewhere and to buy, sell, manufacture and deal in all goods and articles of any kind;

- (2) To carry on business as manufacturers of and dealers both wholesale and retail in and storers, hirers, carriers, exporters and importers of goods and merchandise of all kinds and merchants generally and to carry on any other business which can be advantageously or conveniently carried on by the Company and which is calculated directly or indirectly to benefit the Company or to enhance the value or render profitable any of the Company's property or rights;
- (3) To acquire and hold, either in name of the Company or in that of any nominee, businesses and properties of all kinds, shares, stocks, debentures, debenture stocks, bonds, notes, obligations and securities issued or guaranteed by any company whether incorporated or not and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to provide managerial, executive, supervisory and consultancy services for or in relation to any company or business or property in which the Company is interested upon such terms as may be thought fit;
- (4) To establish agencies and branches and appoint agents for the purpose of the Company's business in the United Kingdom and abroad and to regulate and discontinue the same;
- (5) To enter into any arrangements with any government, municipal, local or other authority that may seem conducive to the attainment of any of the Company's objects and to obtain from any such authority any rights, privileges or concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges or concessions;
- (6) To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise, and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, commission, right or privilege which any government or authority or corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect and to appropriate any of the Company's shares, debentures or other securities and assets, to defray the necessary costs, charges and expenses thereof;
- (7) To apply for, promote and obtain any Provisional Order or Act of Parliament to enable the Company to carry any of its objects into effect or to effect any modification of the Company's constitution and to assist in procuring improvements in the law and to oppose any Parliamentary or other proceedings which the Company may think adverse to its interest;
- (8) To acquire and undertake in any way whatever the whole or any part of the

trade, business, property and liabilities of any person or company carrying on any trade or business that the Company is authorised to carry on or that is analogous thereto, or possessed of property suitable for the purposes of the Company, or to acquire an interest in, amalgamate with, or enter into partnership, or any arrangement for sharing profits, union of interests, reciprocal concession, co-operation, or mutual assistance with any such person or company and to give or accept by way of consideration for any of the things aforesaid, or property acquired or conveyed or handed over, any shares, stock, debentures, debenture stock or securities, that may be agreed on; to enter into membership of any trade union or association or federation of employers or professional association and to pay any dues, subscriptions, levies or other payments in connection therewith;

- (9) To purchase, take on feu, lease or in exchange, hire or otherwise acquire in any way whatever, any property, heritable or moveable, real or personal and to sell, feu, let on hire, improve, develop, mortgage, dispose of, turn to account or otherwise deal with all or any of the land, property and rights of the Company;
- (10) To erect, buy, lease or otherwise acquire or provide such factories, warehouses, offices and other buildings, to manufacture, furnish, fit up and erect such machinery and to construct such other works and conveniences as may be deemed necessary for the purposes of the Company or any of them, and to alter, improve, extend, add to, maintain, repair, rebuild, replace, or remove the same and generally, from time to time, to provide all requisite accommodation and facilities for the purposes of the Company;
- (11) To sell, dispose of, or transfer any part or the whole of the rights, businesses, property, and undertaking of the Company or any branch or part thereof in consideration of payment in cash or in shares or stocks, or in debentures or other securities of any other company, or in one or other or in all such modes of payment, or for such other consideration as may, by the Directors, be deemed proper and to promote any other company anywhere in the world for the purpose of carrying on any business which the Company is authorised to carry on, or for acquiring all or any of the property rights or liabilities of the Company, or for any other purpose which may be deemed likely to promote or advance the interests of the Company;
- (12) To apply for, secure by grant, legislative enactment, assignment or transfer, purchase, hire, licence or otherwise acquire any patents, trade names, trade marks, designs, copyrights, licences, concessions and the like, or any secret or other information as to any invention, process, matter or thing 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 thereof, or otherwise turn to account, the property and rights so acquired, or to sell and dispose of the same;
- (13) To pay for any property or business or services rendered or to be rendered in shares (to be treated as either wholly or partly paid up) or in debentures or debenture stock or in loan stocks, convertible or otherwise, and partly in cash or partly in one mode and partly in others;
- (14) To invest, lend or otherwise deal with the moneys of the Company on such securities or in the stock, shares, debentures, mortgages, loans or bills of

government or local authorities, or public or other companies, whether in the United Kingdom or abroad, and in such manner as the Directors may from time to time determine, and to vary and realise the same and to convert accumulated reserves or revenue into capital;

- (15) To borrow money on such terms as the Directors shall think fit and to give security for the payment thereof or for the performance of any other obligations or liabilities of the Company, and to guarantee and/or give security for the payment of money by or the performance of obligations of all kinds by any person or company including without prejudice to the generality of the foregoing any company which shall at the time be the holding company of the Company or another subsidiary of such holding company or a subsidiary of the Company all as defined in Section 736 of the Companies Act 1985 or any statutory amendment or re-enactment thereof for the time being in force or any company associated with the Company in business or by reason of common shareholdings or otherwise and in security of such guarantees to assign, dispo, convey, mortgage, pledge or charge the whole or any part of the undertaking, property, assets or revenue of the Company including uncalled capital;
- (16) To promote any company or companies, or to place or assist in placing or guaranteeing the placing of or underwriting any shares in any company for the purpose of acquiring all or any of the property and liabilities of the Company and to form any subsidiary company, in any part of the United Kingdom or in any other part of the world, necessary or convenient for carrying out any of the objects of the Company, or which may seem, directly or indirectly, calculated to benefit the Company;
- (17) To pay all the expenses of or relating to the formation, incorporation and registration of the Company or any subsidiary or associated company in any part of the world;
- (18) To enter into such insurance or assurance contracts and to insure all or any of the assets of the Company against such risks and for such sums as the Directors shall deem appropriate and to enter mutual insurance, indemnity or protection associations, to establish an insurance fund out of the profits of the Company and to insure the Company and its Directors, servants, agents and others against claims for compensation and damages by mutual insurance or otherwise and also to enter into policies of assurance assuring the Company or others against loss through death or invalidity of or accident to any Director or servant or agent of the Company;
- (19) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or Directors or past employees or Directors of the Company or of its predecessors in business, or the dependants or connections of any such persons; to grant pensions or gifts to Directors, ex-Directors and/or employees or their relatives and to join in any public or local subscription proposed to be raised for any charitable, religious, patriotic, political, benevolent business or other purpose;
- (20) 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 give or procure the giving of donations, gratuities, pensions, allowances, benefits or emoluments 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 which is allied to or associated with the Company or with any such subsidiary company, either by substantial common shareholdings or one or more common directors or which is the holding company of the Company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid is or has been interested, and the wives, widows, families and dependants of any such persons, and to make payments for or towards the insurance of any such persons as aforesaid, and to do any of the matters aforesaid either alone or in conjunction with or through the holding company (if any) of the Company or in conjunction with or through any such other company as aforesaid;

- (21) To remunerate, as the Directors may decide, the officers, servants and agents of the Company and others out of, or in proportion to, the returns or profits of the Company or of any particular business carried on by it or otherwise as the Directors may deem proper and for that purpose to enter into any arrangements they may think fit;
- (22) To distribute among the members in kind any property of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (23) To cancel or accept surrender of any share or shares of any member or members for any reasons and on any terms and conditions and as and when the Directors in their absolute discretion think fit, with or without any continuing liability attaching to such member or members, and to pay up any uncalled or unpaid capital in respect of such share or shares so cancelled or surrendered, all however so far only as can be lawfully done;
- (24) To do all or any of the above things as principals, agents, trustees, contractors, sub-contractors, licensees, concessionaires or otherwise and by or through trustees, agents, sub-contractors, licensees, concessionaires or otherwise and either alone or in conjunction with others and to act as agents, licensees, concessionaires, trustees, nominees or otherwise for any person or company and to undertake and perform sub-contracts and to appoint agents, attorneys or factors for the Company;
- (25) To do all such things as are incidental or conducive to the attainment of the above objects or any of them; provided always that nothing herein contained shall empower the Company to carry on, save as agents for others, the business of life, accident, fire, employers' liability, industrial, motor, or other insurance or re-insurance within the meaning of the Insurance Companies Act 1974 or any Act amending, extending or re-enacting the same;

The objects set forth in any paragraph of this clause shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not, except where the context expressly so requires, be in any way limited to or restricted by reference to or influence from any other object or objects set forth in such paragraph or from the terms of any other paragraph or by the name of the Company. None of such paragraphs or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph but the Company shall have full power to exercise

all or any of the powers or to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said paragraphs. In this clause the word "company" 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.

N.R.O.
Secretary