

**THE COMPANIES ACT 1985**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**NEW ARTICLES OF ASSOCIATION\* OF**  
**PORTACOVER MACHINERY MOVEMENTS LIMITED**

**PRELIMINARY**

1. (a) 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 insofar 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
- (b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force

**ALLOTMENT OF SHARES**

2. (a) Shares which are comprised in the authorised share capital of the Company at the date of adoption of these Articles shall be under the control of the Directors who may (subject to Section 80 of the Act) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit
- (b) All shares which are not comprised in the authorised share capital of the Company at the date of adoption of these Articles and which the Directors propose to issue shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company



in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act

(c) In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the Company

(d) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital of the Company at the date of adoption of these Articles at any time or times during the period of five years from the date of adoption of these Articles and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting

## **SHARES**

3. The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether full paid or not, standing and registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly
4. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

## **GENERAL MEETINGS AND RESOLUTIONS**

5.
  - (a) Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company
  - (b) No business shall be transacted at any General Meeting unless a quorum is present. Subject to paragraph (c) below two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum
  - (c) If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum
  - (d) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting 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 General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved

(e) Clauses 40 and 41 in Table A shall not apply to the Company

6. (a) If and for so long as the Company has only one Member and that Member takes any decision which is required to be taken in General Meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act

(b) Any decision taken by a sole Member pursuant to paragraph (a) above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book

#### **APPOINTMENT OF DIRECTORS**

7. (a) Clause 64 in Table A shall not apply to the Company

(b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whensoever the minimum number of the Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Clause 89 in Table A shall be modified accordingly

(c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company

(d) No person shall be appointed a Director at any General Meeting unless either:-

- (i) he is recommended by the Directors; or

(ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice signed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed

(e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director

(f) 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, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force

(g) In any case where as the result of the death of a sole Member of the Company the Company has no Members and no Directors the personal representatives of such deceased Member shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in General Meeting pursuant to paragraph (e) of this Article

## **BORROWING POWERS**

8. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

## **ALTERNATE DIRECTORS**

9. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly
- (b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Director or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present

## **GRATUITIES AND PENSIONS**

10. (a) The Directors may exercise the powers of the Company conferred by Clause 3(q) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers
- (b) Clause 87 in Table A shall not apply to the Company

## **PROCEEDINGS OF DIRECTORS**

11. (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting
- (b) Clauses 94 to 97 (inclusive) in Table shall not apply to the Company

## **CASTING VOTE**

12. The Chairman shall not, in the event of an equality of votes at any General Meeting of the Company, or at any meeting of the Directors or of a Committee of Directors, have a second or casting vote. Clause 50 in Table A shall not apply to the Company, and Clauses 88 and 72 in Table A are modified accordingly

## **INDEMNITY**

- 13 (a) Every Director or other officer or Auditors 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 proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which he 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 insofar as its provisions are not avoided by Section 310 of the Act
- (b) The Directors shall have power to purchase and maintain for any director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act
- (c) Clause 118 in Table A shall not apply to the Company

## **TRANSFER OF SHARES**

14. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of a share, whether or not it is a fully paid share, and the first sentence of Clause 24 in Table A shall not apply to the Company

## ASSOCIATE DIRECTORS

15. (a) The Directors may at any time and from time to time appoint any employee of the Company to the position of Associate Director.
- (b) An Associate Director shall advise and assist the Directors but shall not attend Board Meetings except at the invitation of the Directors, and when present at the Board Meetings he shall not be entitled to vote, nor be counted in the quorum, but subject as aforesaid he shall as Associate Director have such powers, authorities and duties as the Directors may in the particular case from time to time determine.
- (c) An Associate Director shall not be deemed a member of the Board, nor any committee thereof, nor shall he be a Director for any of the purposes of these Articles of Association or as far as provision may lawfully be made in this behalf (for any of the purposes of the Companies Act 1985).
- (d) Without prejudice to any rights or claims the Associate Director may have under any contract with the Company, any appointment as an Associate Director may be terminated by the Directors at any time and shall ipso facto terminate if the Associate Director shall from any cause cease to be an employee of the Company.
- (e) An Associate Director may receive such remuneration (if any) in addition to the remuneration received as an employee of the Company as the Directors shall from time to time determine.