



No. 1494399

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- OF -

BMS ASSOCIATES LIMITED

**As amended by Special Resolution
Passed on 6th May, 2003**

PRELIMINARY

1. Subject as hereinafter provided, the regulations contained or incorporated 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 shall apply to the Company. References herein to Table A are to the said Table A. None of the regulations referred to in Schedule 31(8)(b) of the Companies Consolidation (Consequential Provisions) Act 1985 shall apply to the Company.
2. These Articles and the regulations incorporated herein shall take effect subject to the requirements of the Act and of every other Act for the time being in force affecting the Company (hereinafter together referred to as "the Statutes").
3. In these Articles, where the context so permits, words importing the singular number only shall include the plural number, and vice versa, words importing the masculine gender only shall include the feminine gender, words importing persons shall include corporations and the expression "paid up" shall include credited as paid up.

SHARE CAPITAL

4. (A) The authorised share capital of the Company as at the date of the adoption of these Articles is £20,000 divided into 1000 'A' Shares of 5p each and 399,000 'B' Shares of 5p each.

- (B) The respective rights attaching to the 'A' Shares and the 'B' Shares are as follows:-

- (i) As regards income:

The 'B' Shares shall carry all rights to any profits which the Company may determine to distribute in respect of any financial year and the 'A' Shares shall not be entitled to participate therein;

- (ii) As regards capital:

On a return of assets on liquidation, reduction or repayment of capital or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied first in paying to the holders of the 'A' Shares and 'B' Shares the amounts paid up upon such shares. The balance of such assets shall belong to and be distributed amongst the holders of the 'B' Shares in proportion to the amounts paid up thereon;

- (iii) As regards voting:

On a show of hands every holder of 'A' Shares shall have one vote and on a poll shall have one vote for each 'A' Share of which he is the holder. The 'B' Shares shall carry the right to receive notice of and to attend at general meetings of the Company but shall carry no rights to vote or speak thereat.

5. (A) (i) Any 'A' Shares for the time being unissued (whether in the present or any increased capital) shall, before they are issued, be offered to the existing holders of 'A' Shares in proportion, as nearly as may be, to the number of 'A' Shares held by them. Such offer shall be made by notice specifying the number of 'A' Shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. Such offer may be accepted in whole or in part and, to the extent that it is not accepted, shall be deemed to be declined. After the expiration of the time stated for acceptance of the offer, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to these Articles, dispose of the shares in respect of which the offer is not accepted in such manner as they think most beneficial to the Company.

- (ii) The Directors may, in like manner, dispose of any such 'A' Shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided.

(B) The provisions of paragraph (A) of this Article 5 shall apply to the issue of any unissued 'B' Shares (whether in the present or any increased capital) as if in such paragraph each reference to "'A' Shares" was a reference to "'B' Shares" save that:

- (i) the Directors may without making any such offer as is described in paragraph (A) of this Article (as applied by this paragraph of this Article) issue 'B' Shares to a Qualifying Person or Qualifying Persons (as defined in Article 8(O)) for subscription in cash; and
- (ii) the Directors may without making such offer as aforesaid issue 'B' Shares as consideration or part consideration for the acquisition by the Company of the whole or part of the share capital, assets or undertaking of any person or body corporate; and
- (iii) the Directors may without making such offer as aforesaid issue 'B' Shares to such person or persons and on such terms as the Directors may determine if the Directors in their discretion determine that the introduction into the Company of new or additional capital would be in the interests of the Company.

provided that the aggregate number of 'B' Shares issued pursuant to sub-paragraphs (i), (ii) and (iii) above and paragraph A(ii) above (so far as by virtue of this paragraph (B) it relates to 'B' Shares) shall not exceed an amount equal to 20 per cent. of the 'B' Shares in issue at the date of the adoption of these Articles.

- (C) Subject to the provisions of these Articles and of the Statutes all unissued shares and any new shares from time to time created shall be at the disposal of the Directors and the Directors may unconditionally allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper and Section 89 of the Act shall not apply.
- (D) The Company may from time to time purchase its own shares.

MODIFICATION OF RIGHTS

6. (A) Subject to the provisions of Section 125 of the Act, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of more than four-fifths in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of that class by a majority of more than four-fifths of the votes cast on such resolution. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll, that the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class and that at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy.
- (B) Without prejudice to the generality of the foregoing the following shall be deemed to be a variation of rights of the 'B' Shares:-
- (i) any amendment to these Articles whereby the holders of the 'A' Shares would be entitled to receive any distribution of profits by way of dividends or to participate to any greater extent than hereinbefore provided in the surplus assets of the Company available for distribution on a return of assets on liquidation, reduction or repayment of capital or otherwise; and/or
 - (ii) any proposal to create any securities of the Company ranking either as to income and/or capital in priority to or pari passu with the 'B' Shares or otherwise having rights which would adversely effect the rights of the 'B' Shares under these Articles.

LIEN ON SHARES

7. In Regulation 8 of Table A the words and brackets "(not being a fully paid share)" shall be deemed to be deleted.

TRANSFER OF SHARES

8. (A) Except as provided in paragraph (O) of this Article no 'B' Shares in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred in respect thereof shall have been exhausted.
- (B) Every member who desires to transfer any 'B' Shares (the "Vendor") shall give to the Company notice in writing of such desire (a "transfer notice"). Subject as hereinafter mentioned, a transfer notice shall constitute the Directors the Vendor's agent for the sale of the share or shares specified therein (the "said shares") in one or more lots (the composition of the same to be determined by the Directors in their absolute discretion) to such Qualifying Person or Qualifying Persons (other than the Vendor) as the Directors, in their absolute discretion, shall determine (or to such investors as are described in Article 8(E)) at a price to be calculated by the Directors in accordance with guidelines determined by the Directors in their absolute discretion from time to time Provided that, in the case where the Vendor is a Major Shareholder (as defined in Article 8(P)) or a body corporate holding not less than 5,000 'B' Shares or Mr. D.H.E. Price (but, in the case of Mr. D.H.E. Price, only if he serves a transfer notice at the same time as a Major Shareholder) and the transfer notice relates to that Major Shareholder's, body corporate's or Mr. D.H.E. Price's entire holding of 'B' Shares, the price shall be that agreed upon by the Vendor and the Directors or, in the case of difference, the matter shall be promptly referred to the auditors of the Company for the time being and the price shall be the price which they shall, by writing under their hand, certify to be in their opinion the fair market value of the 'B' Shares the subject of the transfer notice as between a willing seller and a willing buyer. In a case falling within the foregoing proviso (and not in any other case) the transfer notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this Article, none shall be so sold and any such provision shall be binding on the Company.
- (C) In any such case (other than one falling within the proviso to Article 8(B)) the Directors shall ask the auditors of the Company for the time being promptly to certify by writing under their hand that the said calculation is in accordance with the guidelines in force at the relevant time (but the auditors shall not be entitled to dispute, question or challenge such guidelines). The Directors shall, as soon as they receive the auditors' certificate, furnish a certified copy thereof to the Vendor.
- (D) Promptly upon the price being fixed as aforesaid the Directors shall determine whether or not they wish to invite any Qualifying Person or Qualifying Persons to apply for any of the said shares. If the Directors determine that they do so wish, they shall forthwith by notice in writing inform such person or persons as the Directors shall in their absolute discretion determine, being a Qualifying Person or Qualifying Persons, of

the number and price of the said shares and invite such person or each such person (as the case may be) to apply in writing to the Directors within fourteen days of the date of despatch of the notice (which date shall be specified therein) for such number of the said shares as shall be specified in such notice.

- (E) If and to the extent that the Directors determine in accordance with Article 8(D) that they do not wish to invite any Qualifying Person or Qualifying Persons to apply for any of the said shares or (as the case may be) if and to the extent that the person or persons to whom the said shares are offered in accordance with Article 8(D) above shall not apply for the said shares offered to them in accordance with that Article, the Directors shall promptly determine whether or not they wish to make any offer or offers of any of the said shares, or (as the case may be) any further offer or offers of any of the balance of the said shares, to a Qualifying Person or Qualifying Persons. If the Directors determine that they do so wish, they shall forthwith by notice in writing make such offer or offers in the same manner as that set out in Article 8(D) to such person or persons as the Directors shall in their absolute discretion determine, being a Qualifying Person or Qualifying Persons. If and to the extent that the Directors determine that they do not wish to make any such offer or offers of any of the said shares or (as the case may be) if and to the extent that the person or persons to whom such offer or offers is or are made as aforesaid shall not apply for the said shares so offered, the Directors shall promptly determine whether or not they wish to offer any of the balance of the said shares in the same manner to the trustees of any Employee Trust (as hereinafter defined). If the Directors determine that they do so wish, they shall forthwith offer such of the balance of the said shares as the Directors shall determine in the same manner as that set out in Article 8(D) to the trustees of any Employee Trust. If and to the extent that the Directors determine that they do not so wish or (as the case may be) if and to the extent that the trustees of any Employee Trust to whom the offer or offers is or are made as aforesaid shall not apply for the said shares so offered, the Directors shall promptly determine whether or not they wish to offer any of the balance of the said shares in the same manner to an institutional investor or investors or to another investor or investors in each case selected by the Directors in their absolute discretion. If the Directors determine that they do so wish, they shall forthwith offer such of the balance of the said shares as the Directors shall determine in the same manner as that set out in Article 8(D) to an institutional investor or investors or to another investor or investors in each case selected by the Directors in their absolute discretion. If the Directors make an offer or offers in accordance with the preceding sentence, they shall forthwith notify the Vendor in writing and (other than in a case falling within the proviso to Article 8(B)) the Vendor shall thereupon be entitled, by notice in writing to the Company within seven days of being so informed, to require a certificate by the auditors of the Company in accordance with the proviso to Article 8(B) in relation to the said shares so offered. If the institutional

investor or investors or the other investor or investors or the other investor or investors so selected by the Directors is or are unwilling to purchase the said shares so offered to it or them at whichever is the greater of (a) the price so certified by the auditors and (b) the price fixed in accordance with Article 8(B) disregarding the proviso thereto (but not otherwise), the Vendor shall be entitled to withdraw the transfer notice in relation to the said shares so offered. Subject to the preceding sentence, a transfer notice shall be irrevocable.

- (F) As soon as reasonably practicable after receiving the application of any such person or trustees of any Employee Trust or institutional or other investor for any of the said shares in accordance with the foregoing provisions the Directors shall give notice (a "completion notice") to the Vendor and to the person or persons who applied for the said shares and shall specify in such notice the place and time (being not earlier than fourteen and not later than twenty-one days after the date of the notice) at which the sale of the shares so applied for shall be completed.
- (G) The Vendor shall be bound to transfer the shares comprised in a completion notice to the purchaser or purchasers named therein at the time and place therein specified and, if he shall fail to do so, the Chairman of the Company or some other person authorised by the Directors shall execute, complete and deliver transfers of the shares to the purchaser or purchasers thereof against payment of the price to the Company Provided that, in the event that the Vendor is entitled to and does require a certificate by the auditors of the Company in accordance with the third last sentence of Article 8(E) and such certificate is not available at the time for completion specified in the completion notice, then such time shall be extended until such time as such certificate is available. On payment of the price to the Company the purchaser shall be deemed to have obtained a good discharge for such payment and on execution, delivery and due stamping of the transfer the purchaser shall be entitled, subject to Article 9(B), to insist upon his name being entered in the Register of Members as the holder by transfer of the shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price upon trust for the Vendor and shall notify the Vendor that such price is available for collection by the Vendor.
- (H) During the three months following the expiry of the last to expire of the offers of the said shares made in accordance with this Article or (as the case may be) the determination by the Directors not to make any, or any further, offer or offers of any of the said shares in accordance with this Article, the Vendor shall, subject to Article 9(B), be at liberty to transfer to any persons and at any price (not being less than the price fixed under Article 8(B) or (E)) any share in respect of which no completion notice is given or (as the case may be) in respect of which the Directors determine to make no, or no further, offer Provided that, if the Vendor being entitled to do so stipulated in his transfer notice (being a transfer notice falling

within the proviso to Article 8(B)) that, unless all the shares comprised therein were sold pursuant to this Article, none should be so sold, the Vendor shall not be entitled, save with the written consent of the Directors, to sell hereunder only some of the shares comprised in his transfer notice and Provided further that the Vendor shall be at liberty to transfer in accordance with this Article 8(H), but subject to Article 9(B), any shares the subject of the transfer notice in respect of which no completion notice is given within a period of 90 days after the receipt by the Company of the transfer notice and, if such Vendor shall be at liberty to transfer any shares pursuant to this further proviso, it shall be at liberty to do so during the three months following the expiry of the said 90 day period.

- (I) If a person who is a Director or employee of the Company or of any associated company (as hereinafter defined) of the Company, and who or any of whose Privileged Relations or any trustees of Family Trusts in relation to whom or whose approved pension plan (meaning the trustees of an approved pension plan of which such person is a member or beneficiary) is or are entered in the Register of Members as the holder of any 'B' Shares, ceases to be a Director or, as the case may be, an employee of the Company or of any associated company (as hereinafter defined) of the Company or if any associated company of which such a person is a Director or employee ceases to be an associated company of the Company, then and in every such case (but subject to the provisions of the last sentence of this paragraph (I)) the Directors may give to that person or, if he shall be dead and personal representatives have been appointed and the Company has been notified of such appointment, his personal representatives and also to any joint registered holder or holders of any 'B' Shares registered in the joint names of such person and any other person or persons and/or to any Privileged Relations of such person and/or to any trustees of or other registered holders of such shares in the Company subject to a Family Trust (as hereinafter defined) in relation to such person and/or held in an approved pension plan for the account of such person, notice in writing to take effect on a stated date within three months after his ceasing to be such a Director or employee (or, if he shall be dead and personal representatives have been appointed and the Company has been notified of such appointment, after a grant of representation shall have been obtained) requiring the person or persons to whom the notice is given to transfer the 'B' Shares specified in such notice to such one or more Qualifying Person or Qualifying Persons as the Directors shall, in their absolute discretion, in the notice direct upon payment of a price determined, mutatis mutandis, in accordance with the provisions of Article 8(B). The provisions of this paragraph (I) shall not apply in the case of a person who meets both the following criteria, (a) he or his Privileged Relations or trustees of Family Trusts in relation to him or approved pension plans of which he is a member or beneficiary holds or hold in aggregate 5000 or more 'B' Shares and (b) he ceases to be a Director or, as the case may be, an employee of the Company or of any

associated company (as hereinafter defined) of the Company on account of serious ill-health, incapacity, normal retirement or death.

- (J) The Directors may, in their absolute discretion, determine that payment of such part of the price referred to in Article 8(I) as represents the excess of the price over the aggregate price at which the said shares were acquired by the person concerned, his Privileged Relations and trustees of Family Trusts in respect of him or approved pension plans of which he is a member or beneficiary (other than from each other) shall be made over such period not exceeding ten years as the Directors may determine and, if the Directors shall so determine, they shall in the said notice state that fact and such determination shall be binding upon any such person Provided that the Directors may not so determine in any case where the person ceases to be a Director or, as the case may be, an employee of the Company or of any associated company (as hereinafter defined) of the Company on account of serious ill-health, incapacity, normal retirement or death.
- (K) If any person to whom notice is given pursuant to Article 8(I) shall fail to transfer the said shares, the provisions of Article 8(G) shall thereupon, mutatis mutandis, apply save that in any case where the Directors determine upon paragraph (J) above that payment of any part of the price for shares shall be made over a period, rather than on completion and delivery of transfers of the shares, references in paragraph (G) above as applied by virtue of this paragraph (K) to "payment of the price" shall be to such part of the price as the Directors require to be paid from time to time.
- (L) If any 'B' Shares held by a person who ceases to be a Director or, as the case may be, an employee of the Company or of any associated company (as hereinafter defined) of the Company or by a person who is a Director or, as the case may be, an employee of any associated company which ceases to be an associated company of the Company or by an Privileged Relations of any such person or any trustees of Family Trusts in relation to any such person or any trustees of any approved pension plan of which any such person is a member or beneficiary are not required to be transferred pursuant to Article 8(I) (either because the Directors are not entitled to give the aforesaid notice or because the Directors in their discretion determine not to give such notice), then and in every such case the Directors shall have the same powers as set out above in Articles 8(I), (J) and (K) (but on the basis that the last sentence of Article 8(I) was omitted) in relation to such shares in the period of three months following the fifth anniversary of the date on which such person ceased to be a Director or, as the case may be, an employee of the Company or of any associated company (as hereinafter defined) of the Company or such associated company ceased to be an associated company of the Company and in the period of three months following each such anniversary subsequent to the fifth Provided that if Mr R.E.F. Ballantyne, Mr G.J. McKean or Mr D. Sullivan shall cease to be a director or employee of the Company or of any

associated company (as hereinafter defined) of the Company on account of serious ill health, incapacity, death or retirement then the directors shall not be entitled to exercise the powers referred to in this paragraph (L) in relation to "B" Shares held by the relevant one of such persons or any of his Privileged Relations or any trustees of Family Trusts in relation to him.

- (M) (i) The provisions of Articles 8(I), (J), (K) and (L) shall apply to any person who is a Director or employee of an associated company (as hereinafter defined) of the Company upon his ceasing to be such a Director or employee or upon such associated company ceasing to be an associated company of the Company as if in such paragraph each reference to a person ceasing to be a Director or employee of the Company was a reference to a person ceasing to be a Director or employee of such associated company or to such associated company ceasing to be an associated company of the Company. Provided that the said Articles shall not apply where a person has ceased to be a Director or employee of an associated company of the Company or such associated company ceases to be an associated company of the Company but, nevertheless, such person remains a Director or employee of the Company or another associated company of the Company which remains an associated company of the Company. For the purposes of these Articles, a company shall be treated as an associated company of another if that other company owns, directly or indirectly, more than 50% of its ordinary capital.
- (ii) Nothing in Articles 8(I), (J), (K) or (L) shall require any person who shall have ceased to be a Director and/or employee of the Company to transfer or cause to be transferred any 'B' Shares in the capital of the Company if such person remains a Director or employee of an associated company of the Company which remains an associated company of the Company.
- (N) If, with respect to a member being a company, after the date of the adoption of these Articles a person (or persons acting in concert) shall acquire, or increase its (or their) aggregate holding to, more than 50 per cent. of the equity share capital of such company then, following such acquisition or such increase, the Directors may serve notice on such member requiring a transfer of the 'B' Shares held by it in the Company whereupon such member shall be deemed to have given a transfer notice to the Company in respect of such shares and the foregoing provisions of this Article shall thereupon apply.

- (O) The pre-emption provisions contained in this Article shall not apply to a transfer of any 'B' Shares by a member or other person entitled to transfer the same to:-
- (i) a Privileged Relation (as hereinafter defined) of such member; or
 - (ii) trustees to be held upon Family trusts (as hereinafter defined); or
 - (iii) trustees of any approved pension plan for the benefit of such member or Privileged Relations or such member

Provided that any such member or other person entitled to transfer shall, immediately before such transfer, hold 5,000 or more 'B' Shares or, if not, the transfer shall have been approved by the Directors in their absolute discretion.

The expression "Employee Trust" shall mean any trust established by the Company as part of or in connection with a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of the bona fide employees or former employees, whether full-time or part-time, (including Directors holding salaried office or employment), of the Company, the Company's subsidiary or holding companies or any subsidiary of the Company's holding companies or the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees.

The expression "Privileged Relation" shall mean and include husband or wife and all lineal descendants and ascendants in direct line and brothers and sisters and their lineal descendants (including the husband or wife of any of the above persons) and for the purposes aforesaid relations of the half-blood shall be treated as of the full-blood and a step-child, adopted child or illegitimate child of any person shall be deemed to be a lineal descendant of such person.

The expression "Family Trusts" shall mean in relation to any person trusts (whether arising under a settlement or a testamentary disposition by whomsoever made or on an intestacy) under which no immediate beneficial interest in the share in question is for the time being vested in any person other than the person concerned or a Privileged Relation of such person and no power of control over the voting powers conferred by such share is for the time being exercisable by or subject to the consent of any person other than the trustees thereof or the person concerned or a Privileged relation of such person.

The expression "Qualifying Person" (and the expression "Qualifying Persons" shall be construed accordingly) shall mean any person who is a member of the Company, a director or employee of the Company or of any

associated company (as above defined) of the Company or any Privileged Relation (as defined above) of any such person or trustees holding upon Family trusts (as defined above) in relation to any such person or trustee of any approved pension plan of which any such person is a member or beneficiary or trustees of any Employee Trust (as defined above).

(P) Notwithstanding anything in these Articles no sale or transfer of any 'B' Shares (the "specified shares") shall, if intended to be made to a person not a member of the Company on the date of adoption of these Articles and which would result, if made, in such person obtaining a controlling interest in the Company, be registered unless:-

- (i) all Major Shareholders (as hereinafter defined) shall have first been given the opportunity of acquiring the specified shares at the specified price (as hereinafter defined); and
- (ii) the proposed transferee or his nominees shall, before such transfer is lodged, have first offered to acquire the 'B' Shares of any member holding shares in the capital of the Company carrying at least 20 per cent. of the rights to participate in the profits of the Company (a "Major Shareholder") at the specified price (as hereinafter defined).

In the event of more than one Major Shareholder electing to acquire the specified shares at the specified price, the same shall be apportioned among the Major Shareholders in such proportions as the Directors of the Company shall unanimously determine or, failing such determination, pro rata to their holdings among such Major Shareholders.

The expression "a controlling interest" shall mean shares conferring in the aggregate more than 50 per cent. of the rights to participate in the profits of the Company.

The "specified price" shall mean a price per share at least equal to that offered or paid or payable by the proposed transferee or his nominee for the specified shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (whether or not in cash) received or receivable by the holders of the specified 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 the specified shares. In the event of disagreement as to the specified price, the matter shall be referred to an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding.

(Q) (i) No person shall be entered in the Register of Members as the holder of 'A' Shares in the capital of the Company on the transfer,

transmission or issue of such shares unless he shall either be a Director of the Company or a subsidiary of the Company or a Major Shareholder or both a body corporate and a holder of not less than 5,000 'B' Shares in issue from time to time and such shares are held for his own beneficial interest or a founding member of the company (namely REF Ballantyne or GJ McKean or D Sullivan) provided that the aggregate number of B shares held by him and his Privileged Relations, any trustees of Family Trusts in relation to him is at least 5,000 B Shares".

- (ii) If any 'A' Shares shall be registered in the name of any person who shall not be qualified as aforesaid, or if any person in whose name any 'A' Shares are registered ceases to be qualified as aforesaid (other than for the reason set out in paragraph (iii) below), the Directors shall serve notice (to take effect on a stated date within three months of the date of such notice) on such member or the legal personal representatives or trustee in bankruptcy of such member requiring an immediate transfer of any such shares to the person or persons as the Directors shall have unanimously selected at a price equal to the par value of such shares. If any such person shall fail to transfer the said shares on the date and at the place stated in the notice, the Chairman of the Company or some other person authorised by the Directors shall execute, complete and deliver transfers of the shares to the purchaser or purchasers thereof against payment of the price to the Company. On payment of the price to the Company the purchaser shall be deemed to have obtained a good discharge for such payment and on execution, delivery and due stamping of the transfer the purchaser shall be entitled, subject to Article 9(B), to insist upon his name being entered in the Register of Members as the holder by transfer of the shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price upon trust for the transferor of the shares and shall notify such transferor that such price is available for collection by such transferor.
- (iii) Pending one or other of the events described in the next sentence the Directors shall not serve a notice requiring an immediate transfer of the holder's 'A' Shares under paragraph (ii) above on any person who previously was qualified to be registered as a holder of 'A' Shares under Article (Q)(i) but ceases to be so qualified by reason only of having agreed to transfer, or having transferred, 'B' Shares in circumstances where such person has also agreed to transfer 'A' Shares at or around the same time as the transfer of 'B' Shares. The events referred to in the previous sentence are the registration of the transfer of the 'A' Shares pursuant to the said agreement to transfer such shares or the termination or ceasing to have effect of such agreement.

- (iv) If, with respect to a holder of 'A' Shares, the Directors serve a notice on such holder in accordance with paragraph 8(N) above requiring a transfer of such holder's 'B' Shares, such person shall be deemed no longer qualified to hold 'A' Shares whereupon the provisions of sub-paragraph (ii) of this paragraph (Q) shall apply.

9. (A) The Directors shall refuse to register a proposed transfer of 'B' Shares not made pursuant to or permitted by Article 8.

(B) No transfer of shares of any class shall be registered unless the same is approved by the Directors of the Company. The Directors shall be entitled, in their absolute discretion and without giving any reason therefore, to withhold such approval where the transferee falls within one or more of the following categories ("the excluded categories") other than by virtue only of holding shares in the Company:

- (1) Any person, firm or body corporate engaged, other than to an immaterial extent, in the business of insurance or reinsurance broking, underwriting or management; or
- (2) Any body corporate which is a holding company of any body corporate within (1) above; or
- (3) Any body corporate which is a subsidiary or a subsidiary undertaking either of any body corporate within (1) above or of any body corporate within (2) above; or
- (4) Any person, firm or body corporate which holds or owns more than 20 per cent. of any class of the issued share capital of any body corporate within (1), (2) or (3) above (and for the purpose of this paragraph (4) shares held or owned by a body corporate and/or its subsidiaries and/or its subsidiary undertakings shall be aggregated and deemed to be held or owned by a single body corporate); or
- (5) Any person, firm or body corporate acting or interested as nominee for or on behalf of any person, firm or body corporate within (1), (2), (3) or (4) above;

Provided that any person, firm or body corporate which:

- (a) falls within any of the excluded categories by virtue only of the activities of that or any other relevant person, firm or body corporate acting as a captive insurance company (being an entity which insures only risks of other companies within the same group of companies (including associated companies) as itself or of other entities which directly or indirectly own it or are under direct or indirect common ownership with it and their officers and employees); or

- (b) is holding or owning or will hold or own such shares for the purposes of and in the normal course of the investment activities of its pension, life assurance or investment trust business (but not including the investments of that person's, firm's or body corporate's own pension scheme or fund where that person, firm or body corporate is, or is a holding company or subsidiary or subsidiary undertaking of, or of a holding company of, an insurance or reinsurance broker)

shall not be regarded as falling within the excluded categories.

If the transferee does not fall within any of the excluded categories, then the approval of the Directors of the Company shall not be unreasonably withheld or delayed. It shall only be reasonable for the Directors to withhold such approval (that is to say, where the transferee does not fall within any of the excluded categories) if the identity of the transferee is such that the transfer can reasonably be expected to have an adverse effect on the Company by virtue of the impairment of independence of the Company or any of its subsidiaries.

The Directors shall be entitled to be reasonably satisfied as to whether the transferee falls within any of the excluded categories and for the purpose of being so satisfied to require such evidence as the Directors may reasonably determine. The Directors shall not unreasonably delay their determination of whether they are so satisfied.

If (a) a member of the Company (other than a member at the date of the adoption of these Articles) who does not fall within any of the excluded categories at the time he becomes a member subsequently falls within any of the excluded categories or (b) a member of the Company (other than a member at the date of the adoption of these Articles) the transfer to whom was approved by the directors of the Company in the belief by them that such member did not fall within any of the excluded categories at the time of their approval is subsequently discovered to have fallen within any of the excluded categories at such time, the Directors may serve notice on such member requiring a transfer of the 'B' Shares held by him in the Company whereupon such member shall be deemed to have given a transfer notice to the Company in respect of such shares and the provisions of Article 8 shall thereupon apply. The provisions of Article 8(Q)(iii) shall have effect when the Directors serve a notice in accordance with this Article as they do when the directors serve notice in accordance with Article 8(N).

- (C) A person executing an instrument of transfer of a share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
- (D) The first sentence of Regulation 24 of Table A shall not apply.

GENERAL MEETINGS

10. A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be deemed to be modified accordingly.
11. A resolution in writing signed or approved by letter, telex, facsimile transmission or cable by all members of the Company who would be entitled to vote upon it if it had been proposed at a general meeting or at a meeting of any class of members of the Company or their duly appointed attorneys, shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their attorneys (or, in the case of a member which is a body corporate by a Director thereof or by a duly authorised representative). Regulation 53 of Table A shall not apply.

VOTES OF MEMBERS

12. Any proxy appointed by a member of the Company in accordance with Section 372 of the Act shall be entitled to vote on a show of hands as well as on a poll, provided that no person present shall be entitled to more than one vote on a show of hands save as provided in Regulation 50 of Table A. Regulation 54 of Table A shall be deemed to be modified accordingly.

DIRECTORS

13. Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than three. Regulation 64 of Table A shall not apply.
14. A Director or alternate Director need not be a member of the Company but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company. Regulation 44 of Table A shall not apply.
15. No Director shall vacate his office or be ineligible for re-appointment as a Director, nor shall any person be ineligible for appointment as a Director, by reason only of his having attained any particular age nor shall special notice be required of any resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such resolution relates.
16. At any time or from time to time:-
 - (i) the holder or holders of more than 35 per cent. in nominal value of such part of the issued share capital of the Company as confers the right for the time being to attend and vote at general meetings of the Company by a

memorandum or memoranda in writing signed by or on behalf of him or them and left at or sent to the registered office of the Company; or

- (ii) the Company in general meeting

may appoint any person to be a Director or remove any Director from office. Any removal of a Director from office hereunder shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

17. The Directors shall have power at any time from time to time to appoint any person unanimously approved by the Directors to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall (subject to these Articles) hold office until he is removed pursuant to Article 16.
- 17(A). The Directors shall not be subject to retirement by rotation and regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply.

ALTERNATE DIRECTORS

18. Any such person appointed as an alternate Director shall vacate his office as an alternate Director:-
- (i) if and when the Director by whom he has been appointed vacates office as a Director;
 - (ii) if the Director by whom he has been appointed removes him by written notice to the Company; or
 - (iii) in the event of any circumstances which, if he were a Director, would cause him to vacate his office as such.

Regulation 67 of Table A shall not apply.

POWERS OF DIRECTORS

19. Any Director who by request performs special services or goes or resides abroad for any purpose of the Company may receive such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Directors may determine.

PROCEEDINGS OF DIRECTORS

20. The quorum for a meeting of the Directors may be fixed by the Directors and unless so fixed shall be three Directors present throughout the meeting. Regulation 89 of Table A shall not apply.

21. A Director who is in any way directly or indirectly interested in any contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act. Subject to such disclosure, a Director may vote as a Director on any resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he shall so vote, his vote shall be counted and he shall be reckoned in estimating a quorum when any such resolution or matter is under consideration; and Regulations 94 to 96 of Table A shall not apply.
22. Notices of meetings of the Directors shall be give to all Directors and to any alternate Directors appointed by them. Regulations 66 and 88 of Table A shall be deemed to be amended accordingly.
23. Regulation 93 of Table A (written resolutions of Directors) shall apply as if the word "signed" included "approved by letter, telex, facsimile transmission or cable".

EXECUTIVE DIRECTORS

24. (A) The Directors may from time to time appoint one or more of their body to hold an executive office in the Company, including, inter alia, the offices of Chairman, Vice Chairman and Managing Director, for such period and on such terms as they think fit, and (without prejudice to any claim for damages for breach of any agreement between any such person and the Company) may revoke such appointment.
- (B) Any Director holding executive office in the Company shall receive such remuneration whether by way of salary, commission or participation in profits (or partly in one way and partly in another) as the Directors may determine.
- (C) The Directors may entrust to and confer upon any Director holding executive office in the Company any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- (D) Regulation 84 of Table A shall not apply.

ASSOCIATE, SPECIAL AND LOCAL DIRECTORS

25. The Directors may from time to time appoint one or more persons to the office of Associate, Special or Local Director as they may decide. The tenure of office, scope of duties and remuneration of an Associate, Special or Local Director shall be determined from time to time by the Directors. The Directors may also from time to time (without prejudice to any claim for damages for breach of any agreement between any Associate, Special or Local Director and the Company)

remove him from office and, if thought fit, appoint another in his place. An Associate, Special or Local Director shall not be deemed to be a Director of the Company and no Associate, Special or Local Director shall be entitled to be present at any meeting of the Directors unless the Directors shall require his presence and he shall not accordingly be counted in the quorum therefor or be entitled to vote thereat.

SEAL

26. The Directors shall provide for the safe custody of the Seal and of any official Seal for use abroad pursuant to the Statutes, and such Seals shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose. Regulation 101 of Table A shall not apply.

NOTICES

27. Regulation 112 of Table A shall apply as if the last sentence thereof were deleted and Regulation 116 shall apply as if the words "within the United Kingdom" did not appear therein.
28. Proof that:
 - (a) an envelope containing a notice was properly addressed, prepaid and posted (by first class post, where available); or
 - (b) a telex or facsimile transmission setting out the terms of the notice was properly despatched

shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 72 hours after the envelope containing it was so posted or, in the case of telex or facsimile transmission, when so despatched. Regulation 115 of Table A shall not apply.

INDEMNITY

29. Subject to the provisions of the Statutes, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, losses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, 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. Regulation 118 of Table A shall not apply.