

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

NEEJAM 126 LIMITED

(as adopted by Special Resolution
dated 16th December 1992)



1.

INTERPRETATION

1.1 In these Articles these words have the following meanings:-

"the Act"

the Companies Act 1985

"Alvis"

Alvis plc or any company which is from time to time its holding company or subsidiary or a subsidiary of its holding company

"the Accountants"

the firm of independent national chartered accountants appointed by agreement between the Proposing Transfer and the Company or failing agreement within five days as to the firm to be appointed, the firm nominated by the President for the time being of the Institute of Chartered Accountants for England and Wales (or a person appointed by him) upon application of either

| | |
|----------------------------|--|
| "the Board" | the directors of the Company present at a meeting of the board of directors or a committee of directors duly convened and held |
| "Member" | a holder of shares |
| "Mr. Biddulph" | Christopher Biddulph, a Member at the date of adoption of these Articles |
| "Mr. Garside" | David Garside, a Member at the date of adoption of these Articles |
| "Mr. Hyner" | Brian Hyner, a Member at the date of adoption of these Articles |
| "the Offer Notice" | a notice offering shares for sale to the Members under Article 12.3 |
| "the Option Deed" | a deed entered into on the same date as the date of adoption of these Articles between David Garside and others (1) and Alvis plc (2) |
| "the Prescribed Price" | the price per share specified in the Transfer Notice for the shares to be sold pursuant to it or (if the Board require) certified by the Accountants under to Article 12.2 |
| "the Proposing Transferor" | a Member proposing to dispose of shares |
| "Purchaser" | a Member willing to purchase shares comprised in a Transfer Notice |
| "shares" | include any beneficial interest in shares |
| "Table A" | the regulations contained in Table A of the Companies (Tables A-F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985 |
| "transfer" | a transfer of any shares, the renunciation of any allotment of shares or any rights to subscribe for or receive an allotment of shares |

"Transfer Notice"

a written notice served by a Member on the Company indicating his desire to dispose of shares

- 1.2 Words and phrases defined in the Act will have the same meanings in these Articles.
- 1.3 Where reference is made to a statutory provision this includes all prior and subsequent enactments, amendments and modifications of that provision and any regulations made under it.
- 1.4 References to the masculine gender include the feminine and neuter and vice versa. Similarly, references to the singular will include the plural and vice versa.
- 1.5 The headings in these Articles are inserted for convenience only and will not affect the construction or interpretation of any of the provisions contained in them.
- 1.6 References to writing will include typewriting printing lithography photography telex and facsimile messages and any other method of producing words in a legible and permanent manner.

TABLE A

- 2. Except as provided in these Articles Table A will apply to the Company.

PRELIMINARY

- 3.1 The Board may at any time require any Member to furnish them with such information as they may consider necessary to determine whether or not the Company is a close company within the meaning of the Income and Corporation Taxes Act 1988 together with such evidence as they may reasonably require for that purpose.
- 3.2 If a Member does not comply with such requirements the Board may withhold any dividends or other shares registered in the name of that Member (whether solely or jointly with some other person or persons).

SHARE CAPITAL

- 4. The share capital of the Company is £250,000 divided into 250,000 ordinary shares of £1 each.

ALLOTMENT OF SHARES

- 5.1 Subject to the provisions of Article 6, and in accordance with Section 80 of the Act, the Board are unconditionally authorised at any time or times during the period expiring on the day prior to the fifth anniversary of the date of the adoption of these Articles:-
- 5.1.1 to allot relevant securities of the Company (as defined in Section 80 of the Act) up to the amount of the authorised but unissued share capital of the Company at the date of such allotment; and
- 5.1.2 to make or enter into any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority.
- 5.2 Subject to Section 80 of the Act, the authority given in Article 5.1 may be renewed, revoked or varied by the Company at any time by Ordinary Resolution. Unless renewed, revoked or varied, such authority shall expire at the end of the period referred to in Article 5.1.
- 6.1 Subject to the provisions of Article 6.2, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares will be issued to such persons, upon such terms and conditions and with such rights, priorities, privileges or restrictions as the resolution creating or issuing them or effecting the increase in the authorised share capital of the Company directs. In the absence of any direction all shares (whether forming part of the existing or any increased capital) will be at the disposal of the Board. Subject to Section 80 of the Act, the Board may issue them to such persons, at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit. Accordingly, Sections 89(1) and 90(1) to (6) (inclusive) of the Act will not apply to the Company.
- 6.2 Unless the Company by special resolution otherwise directs, any shares in the capital of the Company which are proposed to be issued will be offered first to the Members in proportion as nearly as possible to the number of the existing shares held by each of them respectively. The offer will be made by notice specifying the number of shares offered and limiting a period (being not less than twenty-one days) within which the offer if not accepted will be deemed to be declined. After the expiration of that period any shares not accepted will be offered, in the same proportions, to the Members who have accepted all shares initially offered to them. This further offer will be made in the same manner as the original offer but will be limited to a period of seven days. Any shares not accepted pursuant to either the original offer or any further offer, or which are not

capable (in the sole opinion of the Board) of being offered except by way of fractions, will be at the disposal of the Board, who may issue, grant options over or otherwise dispose of them to such persons and on such terms as they think fit. However, shares are not to be disposed of on terms which are more favourable than the terms on which they were offered to the Members; and

7. No shares will be issued to any infant bankrupt or person of unsound mind.

LIENS

- 8.1 The Company has a first and paramount lien on every share (whether fully paid or not) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share.
- 8.2 The Company also has a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any person indebted or under a liability to the Company. This lien will apply to any share of which such person is the sole registered holder or one of several joint holders and will be a first and paramount lien for all monies and liabilities whether presently due and payable or not.
- 8.3 The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.
- 8.4 The Company's lien (if any) on a share will extend to any amount payable in respect of it.
- 8.5 Regulation 8 of Table A will not apply to the Company

9. The purchaser of any shares sold pursuant to Regulation 9 of Table A will not be bound to see to the application of the purchase money. Regulation 10 of Table A will be modified accordingly.

TRANSFER OF SHARES

- 10.1 The Board may in their absolute discretion and without giving any reason decline to register any transfer of any share (whether or not it is a fully paid share) unless:-
- 10.1.1 it is lodged at the registered office of the Company or such place as the Board may appoint;
- 10.1.2 it is accompanied by the certificate for the shares it represents and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

- 10.1.3 it is in respect of only one class of shares;
 - 10.1.4 it is in favour of not more than four transferees; and
 - 10.1.5 it is a transfer made pursuant to or in accordance with the provisions of Articles 11 or 12.
- 10.2 Subject to Article 11.1 the Board may in their absolute discretion and without giving any reason decline to register any transfer of any share (whether or not it is a fully paid share) to a person of whom they do not approve.
- 10.3 Regulation 24 of Table A will not apply to the Company.
- 11.1 Subject to the provisions of the Option Deed and a subscription agreement of the same date between the Company (1) Mr. Garside and others (2) and Alvis plc (3) a Member (and any such person as is referred to in Article 11.1.1) may at any time transfer all or any shares:-
- 11.1.1 to another Member; or
 - 11.1.2 to a company which is the holding company or a subsidiary of a holding company of that Member
- 11.2 If any company to which any shares have been transferred pursuant to Article 11.1.2 (whether directly or by a series of transfers) for whatever reason ceases to be a company to which the transferor of such shares (or the original transferor in a series of transfers) would be entitled to transfer shares pursuant to Article 11.1.2 then any two Members may require that company to serve a Transfer Notice in respect of all of the shares then held by it.
12. Except as provided in Article 11 the right to transfer shares is subject to the following restrictions:-
- 12.1 Before transferring any shares the Proposing Transferor must serve a Transfer Notice on the Company. The Transfer Notice will constitute the Company his agent for the sale of the shares mentioned to any Member or Members. Subject to Article 12.6 a Transfer Notice once given or deemed to be given will not be revocable except with the consent of the Board.
 - 12.2 The consideration for the sale of the shares specified in the Transfer Notice is the Prescribed Price.
 - 12.3 On receipt of any Transfer Notice which does not specify a price per share or if the Board do not agree the price per share specified in the Transfer Notice the Company will request the Accountants (acting as experts and not

as arbitrators) to certify the Prescribed Price. In determining the Prescribed Price the Accountants will:-

- 12.3.1 determine the sum which a willing purchaser would offer to a willing vendor for the entire issued share capital of the Company;
- 12.3.2 divide the sum determined by the number of shares in issue;
- 12.3.3 make such adjustments (if any) as they consider necessary to allow for any rights which may be outstanding to call for the issue of further shares in the Company.

In determining the Prescribed Price no account will be taken of any premium or discount arising in relation to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the shares (whether contained in these Articles or elsewhere).

- 12.4 All the shares included in any Transfer Notice will, within fourteen days of receipt of the Transfer Notice or in a case falling within Article 12.3 receipt of the Auditors' certificate as to the Prescribed Price, be offered by the Company to all Members (other than the Proposing Transferor) for purchase at the Prescribed Price. All offers will be made by notice and will specify a time (not being less than thirty days from the date of the notice) within which the offer must be accepted or, in default, will be deemed to have been declined.
- 12.5 If the Members, within the period specified in the Offer Notice, apply for all or any of the shares, the Company will allocate them (or so many of them as shall be applied for) amongst the Purchasers. In the case of competition where the shares are offered by any of Messrs. Biddulph, Garside or Hyner priority will be given to applications from such other of those three individuals and in the case of competition between those individuals shares will be allocated on a per capita basis. In the case of competition in other circumstances the shares will be allocated pro rata according to the number of shares in the Company in respect of which each of the Purchasers are registered or unconditionally entitled to be registered as holders. No Purchaser will be obliged to take more than the maximum number of shares specified by him in his acceptance.
- 12.6 If the Company, after making offers in accordance with Article 12.4, finds a Purchaser or Purchasers willing to purchase some only of the shares the Company will give notice of that fact to the Proposing Transferor. The notice will be given within seven days of the last date for acceptances under Article 12.4. The Proposing Transferor will then be entitled to revoke his Transfer

Notice by notice to the Company within a further seven days of receipt of notice from the Company.

- 12.7 If the Company finds a Purchaser or Purchasers willing to purchase the shares (or any of them) it will (following the expiry of the period contained in Article 12.6 if applicable) give notice to the Proposing Transferor and he will be bound upon payment of the Prescribed Price to transfer those shares to the respective Purchasers. Every such notice must state the name and address of each Purchaser and the number of shares agreed to be purchased by him. The purchase will be completed at a place and time to be appointed by the Board.
- 12.8 If any Proposing Transferor, after having become bound to transfer any shares to a Purchaser, makes default in transferring the relevant shares the Board may authorise some person to execute any necessary instruments of transfer on behalf of and as attorney for the Proposing Transferor. The Board may receive the purchase money and will cause the name of the Purchaser to be entered in the Register of Members as the holder of the relevant shares. The purchase money will be held by the Company on trust for the Proposing Transferor. The receipt of the Company for the purchase money will be a good discharge to the Purchaser who will not be bound to see to its application. After the name of the Purchaser has been entered in the register of Members in purported exercise of the powers contained in this Article 12.8 the validity of the proceedings will not be questioned by any person.
- 12.9 During the three months following the expiry of the period specified in the Offer Notice, the Proposing Transferor will subject to Article 10.2 be at liberty to transfer to any persons and at any price (not being less than the Prescribed Price) any share for which the Company has not found a Purchaser or Purchasers (as evidenced by notices served by the Company pursuant to Article 12.7). However, if the Proposing Transferor has revoked his Transfer Notice in pursuance of Article 12.6 he will not be entitled to sell under this Article 12.9 some only of the shares comprised in the relevant Transfer Notice. The Board may require to be satisfied that any shares transferred under the provisions of this Article 12.9 are being transferred in pursuance of a bona fide sale at arms length for the consideration stated in the instrument of transfer, without any deduction, rebate or allowance whatsoever to the purchaser, whether direct or indirect.
- 12.10 A person entitled to a share in consequence of the death, bankruptcy, receivership or liquidation of a Member will be bound at any time, if and when called on in writing by any two Members to do so, to give a Transfer Notice (without specifying a price per share) in respect of all the shares then registered in the name of the deceased or insolvent Member. This requirement will not apply if such person is or within 90 days of becoming so entitled

transfer the shares held by him to a person who is a person to whom such shares may be transferred pursuant to Article 11. Regulations 30 and 31 of Table A are to take effect accordingly.

- 12.11 For the purpose of ensuring that a transfer of shares is duly authorised, or that no circumstances have arisen where a Transfer Notice is required to be given, the Board may from time to time require any Member or past Member or the legal personal representatives or trustee in bankruptcy, receiver or liquidator of any Member, or any person named as transferee in any instrument of transfer lodged for registration, to furnish to the Company such information as they may reasonably think fit regarding any matter which they may deem relevant to such purpose. If such information or evidence is not furnished to the reasonable satisfaction of the Board within a reasonable time after request, they will be entitled to refuse to register the transfer in question or (where no transfer is in question) to require by notice that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses that in the reasonable opinion of the Board a Transfer Notice ought to have been given in respect of any shares the Board may by notice require that a Transfer Notice be given in respect of the shares concerned.
- 12.12 In any case where under the provisions of these Articles the Board may require a Transfer Notice to be given in respect of any shares, if a Transfer Notice is not duly given, it will be deemed to have been given at the expiry of a period of two weeks from the date of the demand. In any such case all the provisions of these Articles will take effect except that no right of revocation as contained in Article 12.6 will apply.
- 12.13 The restrictions on transfer contained in these Articles will not apply to any transfer approved in writing by all the Members for the time being.

LIMITATION ON TRANSFER OF CONTROL

- 13.1 No sale or transfer of the legal or beneficial interest in any shares in the Company pursuant to Article 12.9 may be made or validly registered without the previous written consent of at least two of Messrs. Garside, Biddulph and Hyner so long as each holds shares if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company:-
- 13.1.1 by a company (other than a company to which paragraph 11.1.2 applies) or a person or persons (other than a company) who was or were not a Member or Members of the Company on the date of adoption of these Articles of Association; or

13.1.2 by a company in which one or more of the Members or persons acting in concert (which expression shall have the meaning ascribed to it in the October 1990 Edition of the City Code on Takeovers and Mergers) with any Member has or as a result of such sale or transfer will have a Controlling Interest unless the proposed transferee or third parties acting in good faith has or have offered to purchase all the issued shares at the Specified Price (as hereinafter defined)

13.2 For the purpose of this article:-

13.2.1 the expression "a Controlling Interest" shall mean an interest (within the meaning of Schedule 13 Part I and Section 324 of the Companies Act 1985 in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company

13.2.2 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment

13.2.3 the expression "the Specified Price" shall mean a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares

and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as 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.

TRANSMISSION OF SHARES

14. Subject to Article 12.10 a person entitled to a share in consequence of a death, bankruptcy, receivership or liquidation of a Member will be bound at any time if and when called upon in writing by the Board to do so, to elect either to be registered himself or to transfer the shares. If such notice is not complied with the Board may withhold all payments in respect of the shares until such time as it is.

NOTICES

- 15.1 Any notice required to be given under these Articles will be in writing and signed by (or by some person duly authorised by) the person giving it. The notice may be served by leaving it at or sending it by recorded delivery or registered post to (in the case of the Company) its registered office for the time being or (in the case of a Member) his registered address within the United Kingdom.
- 15.2 Any notice so served will be deemed to have been received:-
- 15.2.1 in the case of a personal service, upon delivery;
- 15.2.2 in the case of recorded delivery or registered post, forty eight hours from the date of posting.
- 15.3 In the case of notices sent by post it will be sufficient in proving service to establish that the envelope containing it was properly addressed stamped and posted.

GENERAL MEETINGS

- 16.1 The Board may convene general meetings.
- 16.2 On the requisition of Members pursuant to the provisions of the Act the Board will immediately proceed to convene an extraordinary general meeting for a date not later than 6 months after receipt of the requisition. If there are not for a consecutive period of six weeks or more sufficient directors in the United Kingdom to convene a general meeting any director may do so. If there are no directors of the Company at any time, any Member may convene a general meeting.
- 16.3 Regulation 37 of Table A will not apply to the Company.

PROCEEDINGS AT GENERAL MEETINGS

17. If at any adjourned general meeting a quorum is not present within half an hour from the time appointed for the meeting or, if during such an adjourned meeting, a quorum ceases to be present, one person entitled to be counted in a quorum will be a quorum.

18. A poll may be demanded at any general meeting by any Member present in person or by proxy and entitled to vote. Regulation 46 of Table A will be modified accordingly.

19. An instrument executed for the purposes of Regulation 53 will be deemed to be duly executed if it is sent to or received by the Company in writing under the name of the Member or his duly authorised representative.

ALTERNATE DIRECTORS

20. An alternate director's appointment will determine if by writing under his hand left at or sent to the registered office of the Company he resigns.

21. An alternate director will be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a director.

APPOINTMENT AND RETIREMENT

22. The directors will not retire by rotation Regulations 73 to 75 (inclusive) and Regulations 80 of Table A will not apply to the Company.

23. Regulations 76 and 77 of Table A will be amended by omitting the words "other than a director retiring by rotation".

24. Regulation 78 of Table A will be amended by omitting the words "and may also determine the rotation in which any additional directors are to retire".

25. Regulation 79 of Table A will be amended by omitting the words "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting".

26. At any time whilst it holds any shares Alvis will be entitled by notice to the Company to appoint two persons of its choosing to act as directors of the Company and may by notice remove or replace such person. The appointment or removal of each such director will take effect immediately upon service of such notice upon the Company.

27. Whilst they remain Members each of Mr. Biddulph, Mr. Garside and Mr. Hyner will be entitled to act as a director of the Company. When any of them cease to be Members then that individual's right to act as a director of the Company will forthwith cease.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

28. In addition to the provisions of Regulation 81 of Table A, the office of a director will be vacated if (in the opinion of the Board) a director is incapable by reason of mental disorder not falling within paragraph (c) of Regulation 81 of Table A or illness or injury or otherwise of managing or

administering his affairs and the Board resolve his office be vacated. Regulation 81 of Table A shall be modified accordingly.

DIRECTORS' APPOINTMENT AND INTERESTS

29. The Board may at any time (but without prejudice to any claim for damages which a director may have for breach of any service contract) remove or dismiss a director appointed to any office or terminate any agreement or arrangement made with any director pursuant to Regulation 84 of Table A. Regulation 84 of Table A will be modified accordingly.

30. The last sentence of Regulation 84 of Table A will not apply to the Company.

31. A managing director or other executive director will (without prejudice to any claim for damages they may have for breach of any service contract) be subject to the same provisions as to removal and vacation of office as the other directors of the Company. If he ceases to hold the office of director for any reason, he will immediately cease to be managing director or executive director.

32. A managing or executive director holding office for a fixed period will not be entitled to resign as a director of the Company before the expiry of that fixed period. Regulation 81 of Table A will be read and construed accordingly.

33. Regulations 85 and 86 of Table A will be amended by omitting the words "and extent" wherever they appear.

DIRECTORS' GRATUITIES AND PENSIONS

34. Regulation 87 of Table A will be amended by adding the words "or associated company" after the word "subsidiary" wherever it appears in the Regulation.

PROCEEDINGS OF DIRECTORS

35. It will be necessary to give notice of a meeting to a director who is absent from the United Kingdom if such director has notified the Secretary in writing of a method by which he can be contacted for the purpose of serving such a notice. Regulation 88 shall be modified accordingly.

36. The quorum for the conduct of business at meetings of the Board shall be two directors present in person or by alternate at least one of whom shall be a director appointed pursuant to Article 25 (unless no such director has been appointed in which case the quorum shall be two directors present in person or by

alternate) and one of whom shall be a director appointed pursuant to Article 26.

37. Subject to the requirements of the Act any director or alternate director may as a director vote at any meeting of the Board in respect of any contract or arrangement in which he is interested. If he does so, his vote will be counted and he will be reckoned in the quorum present at the meeting. Regulations 94 and 98 (inclusive) of Table A will not apply to the Company.

38. The Chairman of the Board shall not have a second or casting vote in the event of there being an equality of votes.

INDEMNITY

39. Every director, alternate director, secretary or other officer of the Company will be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office. This indemnity includes any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court. No director, alternate director, secretary or other officer will 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. However, this Article will only have effect insofar as its provisions are not avoided by the provisions of the Act.