

DATED : 28 APRIL, 1996

BETWEEN

MALCOLM NELSON JOHNS

AND

DAVID CAMPBELL JONES AM CBE

AND

JAMES COUSLEY KELSO

AND

DAVID GEORGE VANN

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INSTRUMENT CREATING  
THE SIR HENRY ROYCE FOUNDATION

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This is an Annexure of 15 pages  
labelled Instrument Creating The  
Sir Henry Royce Foundation referred  
to in Item 7 signed by me and dated  
January, 1997

.....  
(Malcolm Nelson Johns)

MNJ:MN:95 3914

**MALCOLM JOHNS & COMPANY**  
LAWYERS

Level 12 Skygarden  
77 Castlereagh Street  
Sydney 2000  
New South Wales  
Australia  
Facsimile (02) 221 5459  
Telephone (02) 231 4688

THIS DECLARATION OF TRUST is made 28 April, 1996  
BY MALCOLM NELSON JOHNS of "Kincoppal", 93 Elizabeth Bay Road, Elizabeth Bay in the State of New South Wales  
AND DAVID CAMPBELL JONES AM OBE of 4 Lascelles Avenue, Toorak in the State of Victoria  
AND JAMES COUSLEY KELSO of 22 Hope Street, Pymble in the State of New South Wales  
all Honorary Life Members of the Rolls-Royce Owners' Club of Australia  
AND DAVID GEORGE VANN of of 6 Burgundy Street, Carseldine in the State of Queensland the incumbent Federal President of the Rolls-Royce Owners' Club of Australia (collectively called the "Trustees")

RECITALS:

- A. The Trustees desire to declare an irrevocable trust for charitable purposes to be known as "The Sir Henry Royce Foundation" (or by such other name as the Trustees may from time to time determine) in accordance with the provisions contained in this Deed.
- B. The Trustees stand possessed of certain funds, books, documents and other chattels which have been paid or transferred to them to be held upon the trusts hereinafter declared and it is contemplated that further money, investments, chattels and other property may from time to time be paid or transferred to the Trustees to be held upon those trusts.

OPERATIVE PART:

1. This Trust shall be known as "The Sir Henry Royce Foundation" or by such other name as the Trustees may from time to time determine.
2. The Trustees shall hold the funds, books, documents and other chattels at present in their hands and any further money and property which may be received by them UPON TRUST either to allow the same to remain in the same state as they are received so long as they shall in their absolute discretion think fit or to sell, call in or convert the same or any part thereof at such time or times as they shall in their absolute discretion think fit and they shall with like discretion lay out or invest in the manner hereby authorised the net proceeds thereof and other money which may be received by them.
3. The Trustees shall stand possessed of the funds, books, documents and other chattels at present in their hands and any further money

and property which may hereafter be received by them to be applied in accordance with the trusts hereof and the investments or property for the time being representing the same respectively (the "Trust Fund") and the income thereof (including any income accruing or accrued at the date of settlement but not received by the person settling the same) upon the trusts hereinafter declared.

4. The Trustees shall hold the Trust Fund and the income thereof UPON TRUST to pay or apply the said income and (if and so often as the Trustees think fit) the whole or such part or parts of the capital of the Trust Fund as they shall in their absolute discretion think fit in the furtherance of such one or more of the Charitable Objects (as hereinafter defined) as they shall in their absolute discretion think fit:-

the "Charitable Objects" shall be the advancement of the science and technology of mechanical engineering for the public benefit and the advancement of education in such ways as the Trustees shall in their absolute discretion think fit and without limiting the generality of the foregoing by :-

- 4.1 making available for study and research the corpus of the published and unpublished records of the experiments, research and work of the late Sir F. Henry Royce and by promoting and providing facilities for such study and research and for the study of the history and development of and the pursuit of excellence in the science of mechanical engineering;
- 4.2 establishing, providing and maintaining a library containing any books, manuscripts, records, photographs, films, microfilms, sound recordings, computer discs or other material howsoever stored connected with the science of mechanical engineering;

- 4.3 establishing, providing and maintaining a museum for the preservation and exhibition of any objects whatsoever illustrating or connected with the science of mechanical engineering;
  - 4.4 allowing the public reasonable access to any material in the Trustees' hands and to provide copies of any such material;
  - 4.5 lending any such material to any library, museum, university or other educational establishment or to any bona fide researcher; and
  - 4.6 making such charges or admission, the providing or loaning of material or copies thereof or the providing of any other facilities whatsoever as the Trustees shall think fit with power in their discretion to waive or reduce any such charges.
5. In the furtherance of the Charitable Objects but not further or otherwise (and without limiting the generality of the powers contained in this Deed) the Trustees shall have the following powers:-
- 5.1 to provide workshops and other facilities for research and study connected with the science of mechanical engineering;
  - 5.2 to provide grants, loans, scholarships or other forms of financial assistance for the research of mechanical engineering;
  - 5.3 to provide grants, loans, scholarships or other forms of financial assistance for courses connected with the study of mechanical engineering;
  - 5.4 to collect and publish or procure the publication of the results of any research or study or of any other information in any way connected with the Charitable Objects;
  - 5.5 to promote and organise conferences, meetings, seminars, lectures, exhibitions, open days, displays and any other projects whatsoever;

- 5.6 to use any property for the time being held by the Trustees to provide (on such terms as the Trustees think fit) such accommodation as may be necessary or convenient for the attainment of the Charitable Objects including accommodation for individuals, groups and organisations;
  - 5.7 to establish, promote, amalgamate or federate with or subsidise or otherwise assist financially any trust, institution, foundation or other organisation having aims and objects similar to those contained herein;
  - 5.8 to exchange information and ideas with and to advise, to seek advice from and to co-operate generally with entities established within or outside the Commonwealth of Australia having aims and objects similar to those contained herein;
  - 5.9 to undertake charitable trusts with objects similar to or in any way connected with the aims and objects contained herein; and
  - 5.10 to do such other lawful things as are necessary for the attainment of the Charitable Objects or any of them.
6. Notwithstanding the foregoing the Trustees may from time to time invest the whole or any part or parts of the income of the Trust Fund in any of the investments authorised by law for the investment of trust funds.
  7. The receipt of the treasurer or other proper officer of any fund, authority or institution mentioned in any of the tables to Section 78(4) of the Income Tax Assessment Act 1936 shall be a sufficient discharge to the Trustees for any money which the Trustees may pay to such fund, authority or institution pursuant to the foregoing trusts.
  8. The Trustees may at any time invite public contributions and receive or without such invitation receive any voluntary contributions from any person or body (whether incorporated or

not) by way of grant, donation, covenant, annual or other subscription, legacy or otherwise for the furtherance of the trusts hereof.

9. Trust moneys may be invested only in Australia or expended on the purchase of shares, securities or property real or personal as the Trustees shall in their absolute discretion think fit.
10. 10.1 The Trustees shall keep proper books of account with respect to the affairs of the Trust Fund and in particular shall prepare consecutive statements of account relating to a period of not more than fifteen months and a balance sheet relating to the end of such period;
- 10.2 Subject to clause 10.3 below the Trustees shall conduct the affairs of the Trust Fund in such manner as they may deem appropriate and may make such arrangements in relation to the administration of the Trust Fund as they consider advisable PROVIDED ALWAYS that no power by this Deed or by law conferred on the Trustees shall be exercised except in the furtherance of the trusts hereof;
- 10.3 Without prejudice to the provisions of Clause 17 hereof the Trustees shall be bound to procure the establishment of an Advisory Committee and they may at such times as they shall think fit consult the Advisory Committee and they shall at all times consider the views of the Advisory Committee communicated to them whether expressed in the form of a resolution or otherwise on any matter relating to the trusts hereof but the Trustees shall not be bound to act in accordance with such views;
- 10.4 The composition of the Advisory Committee, its obligations and the conduct of its meetings shall be governed by the provisions set out in the Schedule hereto.
11. Any bank accounts held in the names of the Trustees as bank accounts for this Trust may be operated by as many Trustees as the Trustees shall in their absolute discretion determine provided however that there shall never be less than two.

12. The Trustees may at any time and from time to time borrow money on the security of the Trust Fund with power to charge any part of the capital or income (including any future income) of the Trust Fund with the repayment of any moneys so borrowed and may pay or apply the money so raised in any manner in which money forming part of the capital of the Trust Fund may be paid or applied and so that the Trustees shall have power to enter into any joint borrowing arrangements with any person and whether or not involving joint or several liability (but not on terms that the co-borrower is relieved of the liability to repay) and no purchaser, lender or other person paying or advancing money on a sale, mortgage, charge or other transaction purporting to be made by the Trustees under or for any of the purposes of this Deed shall be concerned to see that the money is wanted or that no more than is wanted is raised or otherwise as to the propriety of the transaction or the application of the money.
13. In the management or administration of any property forming part of the Trust Fund the Trustees may if they shall consider it advisable effect or concur in effecting any sale, lease, mortgage, charge, release, purchase, investment, acquisition, expenditure or other disposition, contract or transaction whatsoever not otherwise authorised which a person absolutely and beneficially entitled would have had power to effect or to concur in effecting and their powers shall not be restricted by any principle of construction but shall operate according to the widest generality of which the foregoing words are capable notwithstanding that certain powers are more particularly set forth in this Deed.
14. The Trustees shall not be bound or required to interfere in the management or conduct of the business of any company in which the Trust shall be interested although holding the whole or a majority of the shares carrying the control of the company but so long as there shall be no notice of any act of dishonesty or

misappropriation of moneys on the part of the directors having the management of such company the Trustees shall be at liberty to leave the conduct of its business (including the payment or non-payment of dividends) wholly to such directors.

15. The Trustees may at any time or times enter into any compromise or arrangement with respect to or may release or forbear to exercise all or any of their rights as Debenture Holders, Debenture Stockholders, Stockholders or Shareholders of any company and whether in connection with a scheme of reconstruction or amalgamation or otherwise and may accept in or towards satisfaction of all or any of such rights such consideration as they shall in their absolute and uncontrolled discretion think fit whether in the form of cash or stock, shares, debentures, debenture, stock or obligations or securities of the same or of any other company or companies without being in any way liable or responsible for any loss resulting from any such compromise, arrangement, release or forbearance or in respect of any inadequacy or alleged inadequacy in the nature or amount of such consideration and in entering into any such compromise or arrangement the Trustees shall have the powers of a beneficial owner.

16. The Trustees or any of them shall have power with the consent in writing in each case of the other or others of them:-

16.1 to appoint an officer or officers to act in relation to the administration of the trusts hereof on such terms as to employment, remuneration, responsibility to the Trustees or otherwise as the trustees shall in their absolute discretion think fit provided that none of the trustees shall be so appointed; and

16.2 to delegate to any such officer or officers or to any other person or persons (who may if thought fit be or include any of the Trustees) or any corporation or corporations at any



time for any period and in any manner and upon any terms whatever all or any of the administrative powers and discretions imposed on or given to the Trustees by this Deed or by law or otherwise without being liable for the acts or defaults of any delegate; and

16.3 to form a committee or committees to act or advise on any matter relating to the trusts hereof for such periods on such terms and consisting of such persons as the Trustees shall in their absolute discretion think fit.

Provided that any officer or other person to whom and any committee to which the Trustees or any of them have delegated any of the trusts, powers and discretions imposed on or given to them by this Deed or by law or otherwise shall keep the Trustees fully informed of his or its activities and decisions.

17. Any of the Trustees (other than any person who has settled property upon the trusts hereof or any spouse of such person) being a person engaged in a profession or business shall be entitled to be paid all usual professional or other charges for business transacted, time expended and acts done by him or by a partner of his in connection with the trusts hereof including acts which a Trustee not being in a profession or business could have done personally.

18. The Trustees or any of them (other than any person who has settled property upon the trusts hereof or a trust corporation) shall have the following powers:-

18.1 to purchase or acquire from or sell to the Trustees themselves any property liable to be sold or disposed of or acquired or purchased under this Deed or otherwise without being liable to account for any profit if the purchase or sale (as the case may be) is:-

18.1.1 in the case of quoted stocks and shares at the middle market price on the day on which such shares are disposed of or acquired;

18.1.2 in the case of shares not quoted on any stock exchange at a price certified by the auditors to the company to be the open market price thereof; and

18.1.3 in the case of any other property at a price certified by a duly qualified valuer to be the open market value thereof.

18.2 to be employed and remunerated as a director or other officer or employee or as agent or adviser of any company or other corporation or undertaking or firm whatsoever at any time or in any way connected with the Trust Fund or dealing with or acquiring any property from or selling or letting any property to the Trustees.

19. In the professed execution of the trusts hereby declared no Trustee who acts gratuitously shall be liable for any loss arising by reason of any improper investment made in good faith or for the negligence or fraud of any agent employed by him or by any other Trustee although the employment of such agent was not strictly necessary or expedient or by reason of any mistake or omission made in good faith by any Trustee hereof or by reason of any other matter or thing except wilful fraud or wrongdoing on the part of the Trustee who is sought to be made liable.

20. 20.1 The power of appointing an additional or new Trustee or Trustees hereof shall be vested in the Trustees hereof for the time being and this power shall not be limited by any statutory or other limitation on the number of Trustees provided that the number of the Trustees at any one time shall not exceed seven and if the number of the Trustees shall fall below three the continuing Trustees shall have no power to act in the trusts of this Deed except for the purpose of appointing a new Trustee or Trustees.

20.2 Without prejudice to any other power of appointing new Trustees whether conferred by this Deed or by statute or otherwise a new Trustee may be appointed by resolution of a meeting of the Trustees and whenever a Trustee is so appointed a memorandum of his appointment shall be prepared and signed and sealed by one of the Trustees present at the meeting and attested by two other Trustees present thereat.

20.3 A corporation may be appointed a Trustee hereof on such terms and conditions (including terms as to remuneration) as the person or persons making the appointment shall determine at the time of such appointment.

21.
  - 21.1 Any Trustee hereof may at any time by writing under his hand communicated to his co-Trustee or Trustees resign his office and he shall thereupon cease to be a Trustee and shall be discharged from the trusts of this Deed.
  - 21.2 The Trustees shall have power at any time or times to remove any one of their number for the time being by a resolution approved by all the Trustees except for the Trustee whose removal is being sought.
  - 21.3 Upon the passing of any resolution to remove any Trustee hereof the Trustees shall send written notification of the resolution to the last known address of the Trustee concerned and upon the receipt of such notification the Trustee concerned shall cease to be a Trustee and shall be discharged from the trusts of this Deed and it is hereby declared that notification shall be deemed to have been received forty-eight hours after the same shall have been posted.
22. In furtherance of the Charitable Objects but not further or otherwise the Trustees shall have power to vary this Deed in any particular by any Deed or Deeds which shall be expressed to be supplemental to this Deed and from and after the date of such supplemental Deed or Deeds this Deed shall be read and construed as if the provisions of such Supplemental Deed or Deeds were incorporated herein provided that no such variation shall be made that shall cause this Deed to cease to be charitable in law.
23. The Trust Fund and the income thereof shall be applied solely towards the promotion of the objects of The Sir Henry Royce Foundation as set forth in this Declaration of Trust, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to any person being a member of the Advisory Committee provided however that nothing in this clause shall prevent the payment in good faith of reasonable and proper remuneration to any member of the Advisory Committee in return for any services actually rendered to The Sir Henry Royce Foundation nor for goods

supplied in the ordinary course of business nor prevent the payment of interest at a rate not exceeding that paid on equivalent Commonwealth Bonds on money borrowed from any member of the Advisory Committee or reasonable or proper rent for premises demised or let by any member of the Advisory Committee.

24. If upon the winding-up or dissolution of The Sir Henry Royce Foundation there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Advisory Committee but shall be given or transferred to some other institution or institutions having objects similar to the objects of The Sir Henry Royce Foundation and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent as great as is imposed upon The Sir Henry Foundation under or by virtue of clause 23 hereof, such institution or institutions to be determined by the Advisory Committee at or before the time of dissolution or in default thereof by such Judge of the Supreme Court of New South Wales as may have or acquire jurisdiction in regard to charitable funds, and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.

SCHEDULE

- 1.1 The Advisory Committee (the "Committee") shall consist of the following persons:-
- 1.1.1 the Trustees for the time being of The Sir Henry Royce Foundation;
  - 1.1.2 one person nominated by each Branch of the Rolls-Royce Owners' Club of Australia;
  - 1.1.3 one person nominated by the Institute of Engineers, Australia; and
  - 1.1.4 such other person or persons as may be co-opted following a resolution of the Committee.
- 1.2 Subject to paragraph 1.1 above the Committee shall make such regulations concerning the nomination of members of the Committee as it shall think fit.


- 2.1 The Committee shall conduct its meetings and make such other arrangements for carrying out the duties imposed on or delegated to it in the manner it considers most appropriate provided always that:-
- 2.1.1 the Committee shall meet at least once a year and one of its meetings shall be termed an Annual General Meeting;
  - 2.1.2 the Committee shall appoint a Chairman (being one of the Committee for the time being) who shall be responsible for convening all meetings of the Committee, for keeping all members of the Committee apprised of all matters and proposals with which the Committee may be concerned and for all matters which may be delegated to him by the Committee;
  - 2.1.3 the Chairman of the Committee shall continue in office until the third Annual General Meeting following his appointment or until his earlier retirement but shall be eligible for re-appointment;
  - 2.1.4 notices of meetings and details of such matters and proposals as concern the Committee shall be dispatched to the last known address of each member of the Committee;
  - 2.1.5 it shall be the duty of the Chairman of the Committee to take all reasonable steps to ensure that each member of the Committee has a reasonable opportunity to consider and vote upon any proposals taking into account the urgency of the matter to be considered;
  - 2.1.6 the quorum shall not be less than three members of the Committee present in person;
  - 2.1.7 subject to the provisions stated below a decision of the Committee shall be taken by a majority of votes of the members of the Committee present and voting on the particular question and in this connection all members of the Committee shall have one vote but in the case of an equality of votes the Chairman of the Committee shall also have a casting vote;
  - 2.1.8 a resolution in writing approved and signed by a majority of the members of the Committee shall be as effective a

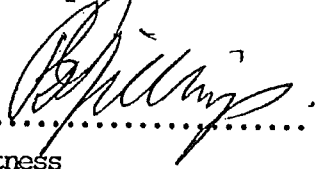
decision of the Committee as a resolution passed at a meeting of the Committee duly convened and held and may consist of several documents to the like effect each signed by one or more members of the Committee.

- 3.1 The Chairman of the Committee shall have power to delegate to any person (whether or not a member of the Committee) the carrying out of any of the duties imposed on him by paragraph 2 above or otherwise provided always that:-
  - 3.1.1 this power shall not enable the Chairman of the Committee to delegate any voting power vested in him;
  - 3.1.2 any person to whom any of the said duties are delegated shall keep the Chairman of the Committee fully informed of his actions.
- 4.1 At each Annual General Meeting of the Committee 2 of the nominated members of the Committee and (in addition) any nominated member of the Committee over the age of 72 years shall retire from office.
- 4.2 The nominated members of the Committee to retire each year by rotation shall be those who have been longest on the Committee since their last nomination, but as between those who became members of the Committee on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 4.3 Any retiring member of the Committee shall be eligible for re-nomination.
- 4.4 Any co-opted member of the Committee shall hold office at the will of the Committee.
- 5.1 The Committee at each Annual General Meeting shall appoint an auditor of the Trust Fund.
- 5.2 The auditor of the Trust Fund shall be a registered company auditor.
- 5.3 The auditor shall not be a member of the Committee.
- 5.4 The auditor shall furnish a report to the Committee at the Annual General Meeting.
- 5.5 Audits shall be conducted at regular intervals of not more than 12 months.

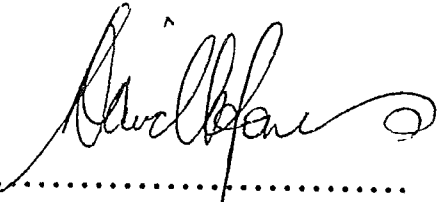
For execution, see page 14.


EXECUTED as a Deed  
SIGNED, SEALED AND DELIVERED )  
by the said MALCOLM NELSON JOHNS )  
in the presence of:- )

  
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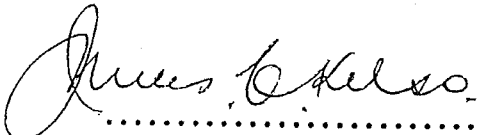
  
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Witness

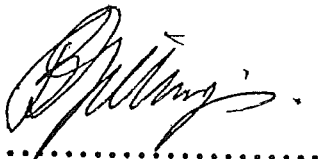
SIGNED, SEALED AND DELIVERED )  
by the said DAVID CAMPBELL JONES )  
in the presence of:- )

  
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Witness

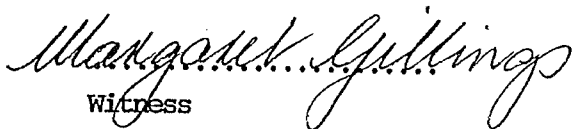
SIGNED, SEALED AND DELIVERED )  
by the said JAMES COUSLEY KELSO )  
in the presence of:- )

  
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Witness

SIGNED, SEALED AND DELIVERED )  
by the said DAVID GEORGE VANN )  
in the presence of:- )

  
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Witness

