

2029363

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

of

BADGERLINE HOLDINGS LIMITED

(Adopted by Special Resolution passed on 21st May 1987 and amended by Special Resolutions passed on 13th December 1988, 3rd October 1989 and 22nd May 1990)

1. The regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended (such regulations being herein called "Table A"), shall, except where the same are excluded or varied by or inconsistent with these Articles of Association, apply to the Company.

2. In these Articles of Association "the Act" means the Companies Act 1985 including any statutory re-enactment thereof for the time being in force.

SHARE CAPITAL

3. The Share Capital of the Company is £2,000,000 divided into Ordinary Shares of 20 pence each. The Company is a private company and accordingly no invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company, nor shall the Company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of these shares or debentures being offered for sale to the public.

4. Subject to any direction to the contrary that may be given by the Company in general meeting all shares authorised pursuant to Article 5 hereof to be allotted shall be offered to the Members in proportion to the existing shares held by them and such offer shall be made by notice in writing specifying the number of shares to which the Member is entitled and limiting a time (being not less than 21 days) within which the offer if not accepted will be deemed to have been declined, and after the expiry of such time or upon the receipt of an intimation from the Member to whom such notice is given that he declines to accept the shares offered, the Directors may, subject to these Articles, allot or otherwise dispose of the same to such persons and upon such terms as they think most beneficial to the Company. The Directors may in like manner dispose of such shares as aforesaid which by reason of the proportion borne by them to the number of persons entitled to any 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. Section 89(1) of the Act shall not apply to the allotment by the Company of any equity security as defined by Section 94 of the Act.

5. The Directors are by this Article authorised to exercise all the powers of the Company to allot all relevant securities (within the meaning of Section 80 of the Act): such authority shall be unconditional and for the exercise of such power generally: the maximum amount of relevant securities that may be the subject of allotment (within the meaning of the said Section 80) under such authority shall be the amount by which the nominal amount of the authorised share capital of the Company exceeded the nominal amount of the shares taken by the subscribers of the Memorandum of Association at the date of incorporation: unless renewed, such authority will expire on the date five years from the date of incorporation save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot the relevant securities in pursuance of such offer or agreement accordingly: the amount of a relevant security in the case of a share in the company mean its nominal value, and in the case of a right to subscribe for, or to convert any security into, shares in the Company mean the nominal value of shares in the Company which would be required to satisfy such right (assuming full exercise).

6. (A) Whenever the share capital of the Company is divided into different classes of shares the rights attached to any class may only be varied or abrogated either whilst the Company is a going concern or in course of or in contemplation of a winding up with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall mutatis mutandis apply except that the necessary quorum shall be a person or persons holding or representing by proxy or in person not less than three quarters in nominal amount of the issued shares of the class, the holders of shares of the class shall on a poll have one vote in respect of every share of the class held by them respectively and any holder of shares of the class present in person or by proxy may demand a poll.

(B) Without prejudice to the generality of Article 6(A) above the following shall be deemed to constitute a variation of the rights attaching to a class of shares:

- (i) Any increase in the authorised share capital of the Company
- (ii) The issue of any share capital or of any securities capable of being converted into share

capital

- (iii) the subdivision or consolidation of any share capital
- (iv) Any alteration of the Memorandum or Articles of Association of the Company
- (v) Any resolution for the winding up of the Company or for a reduction or repayment of any share capital or the reduction of the share premium account or capital redemption reserve of the Company
- (vi) The sale of the whole or (otherwise than in the ordinary course of business) a substantial part of the business undertaking and assets of the Company

TRANSFER OF SHARES

7. (A) Subject to the following provisions of this Article any Member may transfer all or any of his shares whether or not there may be any uncalled liability thereon by an instrument of transfer in the usual common form or in any other form which the Board may approve. Such instrument shall be signed by or on behalf of the Transferor and signature by or on behalf of the Transferee shall not be required and on registration of the transfer the Transferee shall be deemed to have consented to the assumption of liability on his part for the payment of any sum not paid up on such share or shares. Regulation 23 of Table A shall not apply. No transfer of shares shall however be made other than in accordance with the following provisions of this Article, and subject to Article 8.

(B) Save as hereinafter provided a Member who wishes to transfer any of his shares in the Company ("the Vendor") shall give notice in writing to the Directors of the Company ("the Transfer Notice") specifying the shares concerned ("the Sale Shares") and the price per share ("the Specified Price") at which he is willing to sell. The Transfer Notice shall not be revocable and the Specified Price shall not be greater than the value as last certified by the Directors. The Directors may certify the market value of the shares at any time and in certifying the value the Directors shall take advice from the Auditors that their valuation is fair and reasonable. In addition the Board of Directors may in consultation with the Auditors adjust the market value at any time to take account of any capitalisation issue, sub-division or consolidation or distribution in specie which takes place after the date of last certification by the Directors of the market value.

* Adopted by special resolution passed on 3rd October 1989.

(C) The Transfer Notice shall constitute the Directors the agents of the Vendor to offer the Sale Shares to such persons as they in their absolute discretion think fit at the Specified Price.

(D) A Transfer Notice shall (save as provided in paragraph (E) hereof) be given by Members only during the period commencing on the date of the Notice of the Annual General Meeting of the Company and ending on the commencement of the Annual General Meeting of the Company in each year. With each Notice of Annual General Meeting the Directors shall send to all shareholders written notice of the market value of the shares as calculated in accordance with paragraph (B) of this Article 7. In addition a Transfer Notice may be served at such additional times as the Board of Directors may in their absolute discretion determine.

(E) (i) If any shares or any interest in any shares in the Company are transferred to or in any way become held by a Competitor then (unless the Board of Directors of the Company shall in their absolute discretion otherwise determine) such Competitor shall forthwith on receipt of written notice from the Board of Directors forthwith serve a Transfer Notice in respect of all shares in the Company held by him in accordance with the provisions of this Article 7 and the Specified Price shall be the price as calculated by the Directors in accordance with the provisions of paragraph (B) of this Article 7 in force at the date of the service of such Transfer Notice. The Board of Directors shall take account of any capitalisation issue, subdivision or consolidation or distribution in specie which takes place after the date of their last certification of the market value and the Specified Price shall be adjusted accordingly and in addition such adjustment by the Directors shall be taken in the light of advice received from the Auditors that such adjustment is fair and reasonable;

(ii) If the Board of Directors shall have exercised their discretion under sub-paragraph (i) above thus permitting the Competitor to retain his shares notwithstanding that such member is a Competitor the Board of Directors may at any time thereafter at their sole discretion withdraw such permission and require that any or all of the shares held by that Member (provided at such time he still remains a Competitor) be made the subject of a Transfer Notice by notifying the Member concerned in writing. In such event the Member concerned shall within 14 days of receipt of such notice from the Board of Directors serve a Transfer Notice in accordance with the provisions of this Article which shall mutatis mutandis apply;

(iii) Save as above mentioned if any Competitor shall not have served a Transfer Notice in respect of his own holding of Shares when required to do so under the provisions of sub-paragraphs (i) and (ii) above he shall be deemed forthwith thereupon to have served a Transfer Notice in respect of all such shares held by him and is further hereby deemed to have granted a Power of Attorney to any Director of the Company to sign on his behalf any documents required in order to effect the serving of the Transfer

Notice and the transfer of the legal and beneficial interest in the Shares at the Specified Price (as may be adjusted as described in paragraph (i) above);

(iv) For the purposes of this paragraph (E) of Article 7 "Competitor" shall mean any person, firm or company (whether incorporated in this country or elsewhere) or business which directly or indirectly either on their own account or jointly with or for any other firm or company is engaged or concerned or interested in any business which is of the same or similar type to any of the businesses carried on by the Company or any of its subsidiaries from time to time and which is in the view of the Board of Directors in competition with or similar to any businesses carried on by the Company or any of its subsidiaries. It is expressly stated that for the purposes of deciding whether or not a Member is a Competitor the decision of the Board of Directors is final and binding and in coming to such decision the Board of Directors shall act as experts and not as arbitrators;

(v) If the Competitor defaults in transferring the Sale Shares so that the transfer is effected by one of the Directors of the Company exercising the Power of Attorney granted pursuant to paragraph (iii) of this Article 7 then such Director shall receive and give a good discharge for the purchase money on behalf of the Competitor but shall not be bound to earn or pay interest thereon and the Company shall enter the names of the purchasers of the shares of the Competitor in the Register of Members as the holders of the shares which have been transferred to them from the Competitor.

(F) No interest in any shares shall be disposed of or created by any means without the Member concerned giving a Transfer Notice in accordance with this Article (save in circumstances where a transfer of such shares will be permitted under the provisions of paragraph (G) hereof). Any direction or nomination as to allotment of shares issued by the Company or renunciation of that allotment or the right to that allotment by any Member other than to himself shall be treated in the same way as if it were a transfer of shares and shall be subject to the rights and restrictions as are set out in this Article 7 and also in Article 8.

(G) The provisions of this Article 7 shall not apply if the Member wishes to transfer his shares in the following circumstances and accordingly he shall be permitted to transfer his shares and such transfer shall be registered by the Directors and the provisions of Article 8 shall not apply. The particular circumstances are the transfer from the trustees of any trust for the benefit of the Directors and employees of the Company or any of its subsidiaries to any Director or employee or any beneficiary or any such settlement or trust or to the trustees of any other trust for the benefit of the Directors and employees of the Company or any of its subsidiaries

(H) For the purpose of ensuring that a transfer of shares is

duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given under paragraph (E) of this Article 7 the Directors may require any Member, a legal personal representative of a deceased Member, the trustee of a bankrupt Member or the liquidator of any corporate Member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request or if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any shares, the Directors shall be entitled to serve the Transfer Notice in respect of the shares concerned seeking a transfer at the market value as last certified in accordance with paragraph (B) of this Article 7 and the provisions of this Article 7 and Article 8 shall take effect accordingly.

8. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share. Regulation 24 and 25 of Table A shall be varied accordingly.

TRANSMISSION OF SHARES

9. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares.

* 10. (1) In the event of the death or bankruptcy or insolvency of a Member or by the making of an order under the Mental Health Act 1959 with regard to a Member, any person becoming entitled to a share in consequence of any of such events must within three months of being so entitled produce such evidence of his title as the Directors may require.

(2) Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or by virtue of an order made under the Mental Health Act 1959 shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a member in respect of the share, be entitled in respect of it to receive notice of or to exercise any rights conferred by membership in relation to meetings of the Company.

* Amended by special resolution passed on 3rd October 1989

PROCEEDINGS AT GENERAL MEETINGS

11. At any general meeting a poll may be demanded by any Member present in person or by proxy and Regulation 46 of Table A shall be varied accordingly.

12. Subject to any rights or restrictions for the time being attached to any class or classes of shares and to Article 9 above, on a show of hands every Member present in person and every person present as a proxy or (in the case of a corporation) as a duly authorised representative for a Member or Members shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for each share of which he is the holder. Regulation 54 of Table A shall not apply. An authority under which an instrument of proxy is executed need not be deposited at the office or other place of holding the meeting in question prior to its taking place. Regulation 62 shall be modified accordingly.

DIRECTORS

13. Unless and until otherwise determined by the Company in general meeting, there shall be no maximum number of Directors and the minimum shall be one. Any sole Director shall have authority to exercise all the powers and discretions by Table A or these Articles expressed to be vested in the Directors generally and Regulation 64 in Table A shall not apply while Regulation 89 shall be modified accordingly. The first Directors shall be the person or persons named in the Statement delivered to the Registrar of Companies in accordance with Section 10 of the Act.

14. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs any services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and such remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article or Regulation of Table A.

BORROWING POWERS

15. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the Company's undertaking, property and assets (including any uncalled capital), or any part thereof, and, subject to Section 80 of the Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party (including the Company's holding company).

POWERS AND DUTIES OF DIRECTORS

16. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract 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 (where applicable) to such disclosure, a Director shall be entitled to vote in respect of any such contract or arrangement in which he is interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present. Regulation 94 shall be varied accordingly.

17. The Directors on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including but not limited to any Director or former Director or the relations, connections or dependants of any Director or former Director. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company. Regulation 87 of Table A shall not apply.

18. The Directors may entrust to and confer upon any Director 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.

APPOINTMENT AND REMOVAL OF DIRECTORS

19. Without prejudice to any other provision of these Articles governing the appointment and removal of Directors, any Member or Members holding a majority in nominal value of such of the issued share capital for the time being of the Company as carries the unqualified right of attending and voting at general meetings of the Company by memorandum in writing signed by or on behalf of him or them and delivered to the registered office of the Company or tendered at a meeting of the Directors, or at a general meeting of the Company, may at any time and from time to time appoint any person to be a Director either to fill a casual vacancy or in addition to the existing Directors or remove any Director from office howsoever appointed.

20. Both of them, the Directors and the Company in general meeting, shall each have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

21. No Director shall be required to retire or 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 of his having attained any particular age.

22. The office of a Director shall be vacated in any of the following events namely:-

- (a) if (not being employed under a contract which precludes resignation) he resigns his office by notice in writing delivered to the Company or tendered at a meeting of the Directors;
- (b) if he becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs or he becomes a patient for any purpose of any statute relating to mental health and the Directors resolve that his office is vacated;
- (c) if he becomes bankrupt or compounds with his creditors;
- (d) if he is prohibited by law from being a Director;
- (e) if he ceases to be a Director by virtue of any statute or is removed from office pursuant to these Articles;
- (f) if he shall for more than six consecutive months have been absent without permission of the Directors from Board meetings held during that period and the Directors resolve that his office be vacated.

23. Regulations 73 to 81 (inclusive) of Table A shall not apply.

PROCEEDINGS OF DIRECTORS

24. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. Regulation 88 of Table A shall be varied accordingly.

EXECUTIVE DIRECTORS

25. The Directors may from time to time appoint one or more of their body to any executive office (including that of managing director, manager or any other salaried office) for such period and upon such terms as the Directors may determine and may revoke or terminate any such appointment. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company, or the Company may have against such Director, for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

26. Any Director appointed to be an executive officer shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may

determine, and either in addition to or in lieu of his remuneration, if any, as a Director. Regulation 84 shall not apply.

DIVIDENDS

* 27. (a) The Directors may offer the Members the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends as may be declared by the Company or the Directors upon such terms and conditions and subject to such exclusions or restrictions as the Directors may, in their absolute discretion, deem necessary or desirable in relation to compliance with legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory.

(b) No fraction of any Ordinary Shares shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company

(c) The basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient (including rounding the ratio on which entitlements are based up or down to the nearest whole number of shares), the market value, determined in accordance with Article 7(8), of the new Ordinary Shares to be allotted instead of any amount of dividend shall equal the amount of the dividend which would otherwise have been payable.

(d) If the Directors determine to allow such right of election on any occasion they shall, after the basis of allotment has been determined give notice in writing to the ordinary shareholders of the right of election accorded to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which duly completed forms of election must be lodged in order to be effective.

(e) As regards Ordinary Shares in respect of which rights of election have been made available and duly exercised ("the elected Ordinary Shares"), the relevant dividend shall not be payable, and in lieu thereof and on or with effect from the due date for payment of the dividend in respect of which rights of election have been made available additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Directors may lawfully determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis.

(f) The additional Ordinary Shares so allotted shall rank pari passu in all respects with the fully-paid Ordinary Shares then in issue save only as regards participation in the relevant dividend (or share election in lieu).

NOTICES

28. Any notice or other document (including a share certificate) may be served on or delivered to any Member of the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register of Members, or by delivering it to or leaving it at such registered address, addressed as aforesaid, or by any other means provided such other means have been authorised in writing by the Member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Any notice or other document served or delivered in accordance with these Articles of Association shall be deemed duly served or delivered notwithstanding that the Member is then dead or bankrupt or otherwise under any legal disability or incapacity and whether or not the Company had notice thereof. Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day when the same was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.

29. Notice of every general meeting shall be given in any manner authorised by or under these Articles of Association to all Members other than such as, under the provisions of these Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company. Provided that any member may in writing waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Regulation 111 of Table A shall not apply.

INDEMNITY

30. Subject to the provisions of the Act ever, Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto. Regulation 118 shall not apply.