

# G

COMPANIES FORM No. 12

## Statutory Declaration of compliance with requirements on application for registration of a company

# 12

Please do not  
write in  
this margin

Pursuant to section 12(3) of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

\* Insert full  
name of Company

† delete as  
appropriate

To the Registrar of Companies

For official use

For official use

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2290541
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Name of company

* LEGIBUS 1294 LIMITED
I, JACQUELINE SAMUELS ON BEHALF OF LEGIBUS SECRETARIES LIMITED
of ROYEX HOUSE
ALDERMANBURY SQUARE
LONDON EC2V 7LD

do solemnly and sincerely declare that I am a ~~Subscribed and signed in the presence of the Registrar~~  
[person named as ~~director or~~ secretary of the company in the statement delivered to the registrar  
under section 10(2)]† and that all the requirements of the above Act in respect of the registration of the  
above company and of matters precedent and incidental to it have been complied with,  
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the  
provisions of the Statutory Declarations Act 1835

Declared at 35 BASINGHALL STREET  
LONDON EC2

Declarant to sign below

the 11th day of August  
One thousand nine hundred and eighty-eight  
before me *[Signature]*

For and on behalf of LEGIBUS SECRETARIES LTD.

*[Signature]*  
Authorised Signatory

A Commissioner for Oaths or Notary Public or Justice of  
the Peace or Solicitor having the powers conferred on a  
Commissioner for Oaths.

Presenter's name address and  
reference (if any):

CLIFFORD CHANCE  
ROYEX HOUSE  
ALDERMANBURY SQUARE  
LONDON EC2V 7LD

Ref: DHT/CAL/JQS

For official Use  
New Companies Section

Post room

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**G****COMPANIES FORM No. 10****Statement of first directors  
and secretary and intended  
situation of registered office****10**

Please do not  
write in  
this margin

Pursuant to section 10 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

\* Insert full name  
of company

Name of company

* LEGIBUS 1294 LIMITED
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The intended situation of the registered office of the company on incorporation is as stated below

ROYEX HOUSE	
ALDERMANBURY SQUARE	
LONDON	
Postcode	EC2V 7LD

If the memorandum is delivered by an agent for the subscribers of the memorandum please mark 'X' in the box opposite and insert the agent's name and address below

X
---

CLIFFORD CHANCE	
ROYEX HOUSE	
ALDERMANBURY SQUARE,	
LONDON	
Postcode	EC2V 7LD

Number of continuation sheets attached (see note 1)

--

Presenter's name address and  
reference (if any):

CLIFFORD CHANCE  
ROYEX HOUSE  
ALDERMANBURY SQUARE  
LONDON EC2V 7LD

Ref: DHT/CAL/JQS


For official Use  
General Section

Post room

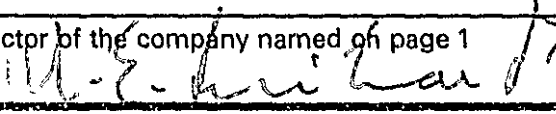
16 AUG 1988
OFFICE

The name(s) and particulars of the person who is, or the persons who are, to be the first director or directors of the company (note 2) are as follows:

Please do not write in this margin

Name (note 3) TATE, DAVID HENRY		Business occupation SOLICITOR	
Previous name(s) (note 3)		Nationality BRITISH	
Address (note 4) ROYEX HOUSE		Date of birth (where applicable) (note 6)	
ALDERMANBURY SQUARE			
LONDON	Postcode	EC2V 7LD	
Other directorships † SEE ATTACHED SHEET			
I consent to act as director of the company named on page 1			
Signature 		Date 5.8.88	

† enter particulars of other directorships held or previously held (see note 5) if this space is insufficient use a continuation sheet.

Name (note 3) RICHARDS, MARTIN EDGAR		Business occupation SOLICITOR	
Previous name(s) (note 3)		Nationality BRITISH	
Address (note 4) ROYEX HOUSE		Date of birth (where applicable) (note 6)	
ALDERMANBURY SQUARE			
LONDON	Postcode	EC2V 7LD	
Other directorships † LEGIBUS SECRETARIES LIMITED			
LEGIBUS NOMINEES LIMITED			
LEGIBUS COMPUTERS LIMITED			
I consent to act as director of the company named on page 1			
Signature 		Date 8.8.88	

Name (note 3)		Business occupation	
Previous name(s) (note 3)		Nationality	
Address (note 4)		Date of birth (where applicable) (note 6)	
Postcode			
Other directorships †			
I consent to act as director of the company named on page 1			
Signature		Date	

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write in  
this margin

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

The name(s) and particulars of the person who is, or the persons who are, to be the first secretary, or joint secretaries, of the company are as follows:

Name (notes 3 & 7)		LEGIBUS SECRETARIES LIMITED	
Previous name(s) (note 3)			
Address (notes 4 & 7)		ROYEX HOUSE	
		ALDERMANBURY SQUARE	
LONDON		Postcode	EC2V 7LD
I consent to act as secretary of the company named on page 1			
For and on behalf of LEGIBUS SECRETARIES LTD.			
Signature		Date	
J. Samuel		9.8.88	

Authorized Signatory

Name (notes 3 & 7)	
Previous name(s) (note 3)	
Address (notes 4 & 7)	
	Postcode
I consent to act as secretary of the company named on page 1	
Signature	
Date	

delete if the form is  
signed by the  
subscribers

Signature of agent on behalf of subscribers		Date
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delete if the form is  
signed by an agent on  
behalf of the  
subscribers.

All the subscribers  
must sign either  
personally or by a  
person or persons  
authorised to sign  
for them

Signed	J. Samuel	Date	9.8.88
Signed	FOR AND ON BEHALF OF LEGIBUS SECRETARIES LTD	Date	
Signed	[Signature]	Date	10.8.88
Signed	FOR AND ON BEHALF OF LEGIBUS NOMINEES LTD	Date	
Signed		Date	
Signed		Date	

DIRECTORSHIPS OF MR D H TATE

ATLANTIC RESOURCES (NORTH SEA) LIMITED  
CHIEFTAIN EXPLORATION (UK) LIMITED  
LEGIBUS SECRETARIES LIMITED  
LEGIBUS NOMINEES LIMITED  
THE COLLEY WOOD SYNDICATE LIMITED  
CHARTER OIL (UK) LIMITED  
NEPCO EXPLORATION (UK) LIMITED  
NEPCO PETROLEUM (UK) LIMITED  
CHARTER OIL (UK TRADING) LIMITED  
I.F.P. FOREST AND PAPER PRODUCTS (UK) LIMITED (ALT)  
MICROPRO INTERNATIONAL LIMITED (ALT)  
CROSBY ASSOCIATES UK LIMITED (ALT)  
ERMENEGILDO ZEGNA LIMITED (PAST)  
ESSELTE LIMITED (ALT) (PAST)  
BURKE O'NEIL LIMITED (PAST)  
NEW BRIDGE STREET CONSULTANTS LIMITED (PAST)  
CONTINENTAL OFFICE SERVICES LIMITED (PAST)  
ESSELTE HOLDINGS LIMITED (ALT) (PAST)  
ALYRAH LIMITED (PAST)  
CHANCELLOR INSURANCE CO (UK) LIMITED (PAST)

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

- of -

LEGIBUS 1294 LIMITED



1. The Company's name is "LEGIBUS 1294 LIMITED".
2. The Company's registered office is to be situated in England.
3. The Company's objects are:
  - (A) (i) To carry on business as manufacturers, builders and suppliers of and dealers in goods of all kinds, and as mechanical, general, electrical, marine, radio, electronic, aeronautical, chemical, petroleum, gas civil and constructional engineers, and manufacturers, importers and exporters of, dealers in machinery, plant and equipment of all descriptions and component parts thereof, forgings, castings, tools, implements, apparatus and all other articles and things.
  - (ii) To act as an investment holding company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase exchange or otherwise) the whole of or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority and to hold the same as investments, and to sell, exchange, carry and dispose of the same.
  - (iii) To carry on the businesses in any part of the world as importers, exporters, buyers, sellers, distributors and dealers and to win, process and work produce of all kinds.
- (B) To carry on the following businesses, namely, contractors, garage proprietors, filling station proprietors, owners and charterers of road vehicles, aircraft and ships and boats of every description, lightermen and carriers of goods and passengers by road, rail, water or air, forwarding, transport and commission agents, customs agents, stevedores, wharfingers, cargo superintendents, packers, warehouse storekeepers, cold store keepers, hotel proprietors, caterers, publicans, consultants, advisers, financiers, bankers, advertising agents, insurance brokers, travel agents, ticket agents and agency business of all kinds and generally to provide entertainment for and render services of all kinds to others and to carry on any other

16/11/85  
2300

trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company or any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.

- (C) To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified herein, or likely to be required by customers or other persons having, or about to have, dealings with the Company.
- (D) To build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, shops, factories, offices, works, machinery, engines and to clear sites for the same or to join with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or join with others in so doing.
- (E) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- (F) To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possess, or which may seem to the Company capable of being conveniently carried on or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (G) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (H) To apply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, registered designs, protections and concessions, which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting and testing and making researches, and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (I) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise with any company, or with any employees of the Company, including in such case if thought fit the

conferring of a participation in the management or its directorate, or with any company carrying on or engaged in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to give to any company special rights or privileges in connection with or control over this Company, and in particular the right to nominate one or more Directors of this Company. And to lend money to, guarantee the contracts of, or otherwise assist any such company, and to take or otherwise acquire shares or securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.

- (J) To subsidise, and assist any persons or companies and to act as agents for the collection, receipt or payment of money and generally to act as agents for and render services to customers and others.
- (K) Either with or without the Company receiving any consideration or advantage, direct or indirect, from giving any such guarantee, to guarantee or otherwise provide security by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital or by both such methods or by any other means whatsoever the performance of the obligations and the payment of any moneys (including but not limited to capital or principal, premiums, dividends or interest, commissions, charges, discount and any costs or expenses relating thereto whether on any stocks, shares or securities or in any other manner whatsoever) by any company, firm or person including but not limited to any company which is for the time being the Company's holding company as defined by Section 736 of the Companies Act, 1985 or a subsidiary of the Company or of the Company's holding company as so defined or any company, firm or person who is for the time being a member or otherwise has any interest in the Company or is associated with the Company in any business or venture or any other person firm or company whatsoever. A guarantee shall also include any other obligation (whatever called) to pay, purchase, provide funds (whether by advance of money the purchase of or the subscription of shares or other securities, the purchase of assets or services, or otherwise) for the payment of or to indemnify against the consequences of default in the payment of or otherwise be responsible for any indebtedness of any other company firm or person.
- (L) To promote any company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (M) To pay out of the funds of the Company all expenses which the Company may lawfully pay of or incident to the formation, registration and advertising of or raising money for the Company, and the issue of its capital, or for contributing to or assisting any company either issuing or purchasing with a view to issue all or any part of the Company's capital in connection with the advertising or offering the same for sale or subscription, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or debenture stock.



- (N) To remunerate any person, firm or company rendering service to the Company whether by cash payment or by the allotment to him or them of shares or securities of the Company credited as fully paid up in full or in part or otherwise.
- (O) Generally to purchase, take on lease or exchange, hire, or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (P) To receive money on deposit upon such terms as the Company may approve.
- (Q) To invest and deal with the moneys of the Company in such manner as may from time to time be determined.
- (R) To lend money with or without security, but not to carry on the business of a registered money lender.
- (S) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future), including its uncalled capital, and to purchase, redeem or pay off any such securities.
- (T) To remunerate any company for services rendered or to be rendered, in placing, or assisting to place, or guaranteeing the placing or procuring the underwriting of any of the shares or debentures, or other securities of the Company or of any company in which this Company may be interested or propose to be interested, or in or about the conduct of the business of the Company, whether by cash payment or by the allotment of shares, or securities of the Company credited as paid up in full or in part, or otherwise.
- (U) To subscribe for either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other obligations of any other company having objects altogether or in part similar to those of this Company.
- (V) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (W) To sell, lease, exchange, let on hire, or dispose of any real or personal property or the undertaking of the Company, or any part or parts thereof, for such consideration as the Company may think fit, and, in particular, for shares whether fully or partly paid up, debentures or securities of any other company, whether or not having objects altogether, or in part, similar to those of the Company, and to hold and retain any shares, debentures or securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of or turn to account or otherwise deal with all or any part of the property or rights of the Company.
- (X) To adopt such means of making known the businesses and products of the Company as may seem expedient, and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of

art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.

- (Y) To support, subscribe or contribute to any charitable or public object and any institution, society or club which may be for the benefit of the Company or its Directors, officers or employees, or the Directors, officers and employees of its predecessors in business or of any subsidiary, allied or associated company, or which may be connected with any town or place where the Company carries on business and to subsidise or assist any association of employers or employees or any trade association. To give pensions, gratuities, annuities or charitable aid to any person (including any Directors or former Directors) who may have served the Company or its predecessors in business or any subsidiary, allied or associated company or to the wives, children or other dependents or relatives of such persons, to make advance provision for the payment of such pensions, gratuities or annuities as aforesaid by establishing or acceding to such trusts schemes or arrangements (whether or not capable of approval by the Commissioners of Inland Revenue under any relevant legislation for the time being in force) as may seem expedient, to appoint trustees or to act as trustee of any such schemes or arrangements.
- (Z) To establish and contribute to any scheme for the purchase or subscription by trustees of shares in the Company to be held for the benefit of the Company's employees, and to lend money to the Company's employees to enable them to purchase or subscribe for shares in the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with employees or any of them.
- (AA) To obtain any Provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purposes which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (BB) To establish, grant and take up agencies in any part of the world, and to do all such other things as the Company may deem conducive to the carrying on of the Company's business, either as principals, or agents, and to remunerate any persons in connection with the establishment or granting of such agencies upon such terms and conditions as the Company may think fit.
- (CC) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others and to procure the Company to be registered or recognised in any foreign country or place.
- (DD) To distribute any of the property of the Company in specie among the shareholders.
- (EE) To amalgamate with any other company having objects altogether or in part similar to those of this Company.

(FF) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them.

And it is hereby declared that the word "company" in this Clause shall be deemed to include any person or partnership or other body of persons whether domiciled in the United Kingdom or elsewhere, and words denoting the singular number only shall include the plural number and vice versa, and so that the objects specified in each paragraph of this Clause shall, except where otherwise expressed in such paragraph, be regarded as independent objects, and in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the Members is limited.

5. The Company's Share Capital is £100 divided into 100 shares of £1 each.

WE, the subscribers to this Memorandum of Association, wish to be formed into a company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

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NAMES AND ADDRESSES OF SUBSCRIBERS	Number of Shares taken by each Subscriber
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*J Samuels.*

*one*

JACQUELINE SAMUELS  
For and on behalf of  
Legibus Secretaries Limited  
Royex House  
Aldermanbury Square  
London EC2V 7LD

ONE

*ll*

*One*

CHRISTINE ANNE LEE  
For and on behalf of  
Legibus Nominees Limited  
Royex House  
Aldermanbury Square  
London EC2V 7LD

ONE

Total shares taken: TWO

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DATED the *10th* day of *August*, 1988.

WITNESS to all the above Signatures:-

DENISE WARD  
Royex House  
Aldermanbury Square  
London EC2V 7LD

*D Ward,*

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

LEGIBUS 1294 LIMITED

PRELIMINARY.

1. (A) In these Articles "Table A" means Table A in the Schedule to the Companies (Table A to F) Regulations 1985 and "the Act" means the Companies Act, 1985 including any statutory modification or re-enactment thereof for the time being in force.

(B) The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The Regulations of Table A numbered 2, 3, 24, 41, 65, 66, 67, 68, 69, 73, 74, 75, 76, 77, 78, 80, 81, 94, 95, 96, 97, 98, 110 and 118 shall not apply, but, subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

PRIVATE COMPANY.

2. The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARES.

3. The share capital of the Company is £100 divided into 100 shares of £1 each.

4. (A) The Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities or other shares of the Company to such persons, at such times and generally on such terms and conditions and carrying such rights or being subject to such restrictions as the Directors may determine. The authority hereby conferred shall, subject to Section 80(7) of the Act, be for a period of five years from the date of incorporation unless renewed, varied or revoked by the Company in General Meeting, and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the Company at the date of adoption of these Articles, or where the authority is renewed at the date of renewal.

(B) The Directors shall be entitled under the authority conferred by sub-paragraph (A) of this Article or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

5. The pre-emption provisions of sub-section (1) of Section 89 of the Act and the provisions of sub-sections (1) to (6) inclusive of Section 90 of the Act shall not apply to any allotment of the Company's equity securities.

6. The lien conferred by Regulation 8 of Table A shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders and shall extend to all moneys presently payable by him or his estate to the Company.

7. Subject to the provisions of the Act, any shares in the capital of the Company may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

#### NOTICES.

8. Every notice calling a General Meeting shall comply with the provisions of Section 372(3) of the Act, as to giving information to Members in regard to their right to appoint proxies, and all notices and other communications relating to a General Meeting which any Member is entitled to receive shall also be sent to the Auditor for the time being of the Company.

#### TRANSFERS.

9. 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.

#### PROCEEDINGS AT GENERAL MEETINGS.

10. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

11. It shall not be necessary to give any notice of an adjourned meeting and Regulation 45 of Table A shall be construed accordingly.

12. A poll may be demanded by the Chairman or by any Member present in person or by proxy and entitled to vote and Regulation 46 of Table A shall be modified accordingly.

13. Subject to any rights or restrictions attached to any shares, on a show of hands every Member who is present in person or by a duly authorised representative, not being himself a Member entitled to vote, shall have one vote and on a poll every Member shall have one vote for every share of which he is the holder.

14. Any Corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

#### VOTES OF MEMBERS.

15. Evidence of the fact that a proxy is duly appointed may be accepted by the Directors less than 48 hours before the time appointed for the meeting but this power shall not prevent the Directors from requiring that 48 hours notice be given in any given case; and Regulation 61 of Table A shall be construed accordingly.

#### DIRECTORS.

16. A Director need not hold any shares of the Company to qualify him as a Director but he shall be entitled to receive notice of and attend at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares in the capital of the Company and Regulation 38 of Table A shall be modified accordingly.

17. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.

18. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Section 80 of the Act, to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

19. Without prejudice to the obligation of any Director to disclose his interest in accordance with Section 317 of the Act a Director may vote as a Director in regard to any contract, transaction or arrangement in which he is interested, or upon any matter arising thereout, and if he does so vote his vote shall be counted and he shall be reckoned in calculating a quorum when any such contract transaction or arrangement is under consideration.

20. The office of Director shall be vacated if the Director

(a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(b) becomes disqualified from being a Director by reason of any order made under Section 295 of the Act or otherwise so prohibited or disqualified under any statutory provision for the time being in force; or

(c) in the opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director; or

(d) subject as hereinafter provided resigns his office by notice in writing to the Company.

21. The Company may by Ordinary Resolution of which special notice has been given in accordance with Section 379 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal 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.

22. Without prejudice to the powers of the Directors under Regulation 79 of Table A the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.

23. A Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment and the last two sentences of Regulation 79 of Table A shall be deleted.

24. The holder or holders of a majority 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 may at any time or from time to time by memorandum in writing signed by or on behalf of him or them and left at or sent to the Registered Office of the Company remove any Director from office or appoint any person to be a Director. Such removal or appointment shall take effect forthwith upon delivery of the memorandum to the Registered Office of the Company or on such later date (if any) as may be specified therein.

25. (A) Any Director may by writing under his hand appoint (1) any other Director, or (2) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him: Provided always that no such appointment of a person other than a Director shall be operative unless and until the approval of the Directors by a majority consisting of not less than two-thirds of all the Directors shall have been given and entered in the Directors' Minute Book. A Director may at any time revoke the appointment of an alternate appointed by him, and, subject to such approval as aforesaid, appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

(B) Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company



for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.

26. No person shall be or become incapable of being appointed a Director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no Director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age.

27. The Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director as the Directors may decide such appointment being (subject to Section 319 of the Act, if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company) if he ceases to hold the office of Director from any cause ipso facto and immediately cease to hold such executive office.

28. A Director holding such executive office as aforesaid for a fixed period shall not be entitled to resign as a Director of the Company and Article 20(d) hereof shall be interpreted accordingly.

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

#### THE SEAL.

30. The Directors or a committee of Directors authorised by the Directors may by telephone or telex communication or by facsimile reproduction authorise the Secretary or any Director to use the Seal and the transmission of such authority shall constitute a determination in such case that the Secretary or the named Director alone may sign any instrument to which the Seal is to be affixed pursuant to that authority, and Regulation 101 of Table A shall be modified accordingly.

#### RESERVES.

31. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such

investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

#### CAPITALISATION OF PROFITS.

32. The Directors may with the authority of an Ordinary Resolution:-

(a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve), or any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;

(b) appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of the ordinary share capital (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other: provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid;

(c) resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;

(d) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article in fractions;

(e) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of the profits or sum so resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on shares held by them respectively any agreement made under such authority being thereupon effective and binding on all such Members; and

(f) generally do all acts and things required to give effect to such resolution as aforesaid.

#### PROVISION FOR EMPLOYEES.

33. The Company shall exercise the power conferred upon it by Section 719 of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Section 125 of the Act.

#### INDEMNITIES.

34. Every Director, Managing Director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings relating to his conduct as an officer of the Company, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the court.

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NAMES AND ADDRESSES OF SUBSCRIBERS

---

*Samuels.*

JACQUELINE SAMUELS  
For and on behalf of  
Legibus Secretaries Limited  
Royex House  
Aldermanbury Square  
London EC2V 7LD

*Lee*

CHRISTINE ANNE LEE  
For and on behalf of  
Legibus Nominees Limited  
Royex House  
Aldermanbury Square  
London EC2V 7LD

---

DATED this 10th day of August, 1988.

WITNESS to the above Signatures:-

Denise Ward  
Royex House  
Aldermanbury Square  
London EC2V 7LD

*Dward.*

CAL10H1.31

FILE COPY



**CERTIFICATE OF INCORPORATION  
OF A PRIVATE LIMITED COMPANY**

No. 2290541

I hereby certify that

**LEGIBUS 1294 LIMITED**

is this day incorporated under the Companies Act 1985 as  
a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,  
Cardiff the 26 AUGUST 1988

*P. A. Rowley*  
MRS P.A. ROWLEY

an authorised officer



COMPANIES FORM No. 224

**Notice of accounting reference date**  
(to be delivered within 6 months of  
incorporation)

**224**

Please do not  
write in  
this margin

Pursuant to section 224 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

2290541

[ ] [ ] [ ] [ ] [ ] [ ]

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Name of company

\* LEGIBUS 1294 LIMITED

\* Insert full name  
of company

gives notice that the date on which the company's accounting reference period is to be treated as  
coming to an end in each successive year is as shown below:

**Important**  
The accounting  
reference date to  
be entered along-  
side should be  
completed as in the  
following examples:

Day Month

3 1 1 2

5 April  
Day Month

0 5 0 4

30 June  
Day Month

3 0 0 6

31 December  
Day Month

3 1 1 2

† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

*Nichols*

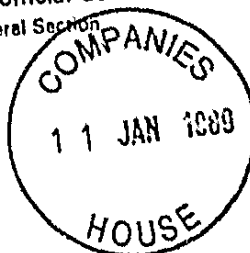
Designation† SECRETARY

Date 6/1/89

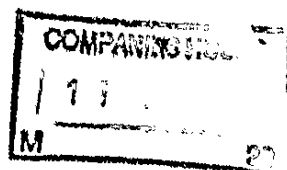
Presentor's name address and  
reference (if any):

CLIFFORD CHANCE  
ROYEX HOUSE  
ALDERMANBURY SQUARE  
LONDON EC2V 7LD

For official Use  
General Section



Post room



2290

THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

LEGIBUS 1294 LIMITED

Incorporated the 26th day of August, 1988

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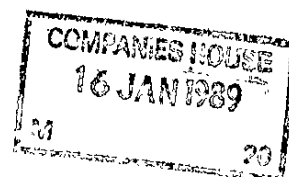
ADOPTED BY SPECIAL RESOLUTION  
Passed on 6th January 1989

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Clifford Chance  
Royex House,  
Aldermanbury Square,  
London  
EC2V 7LD

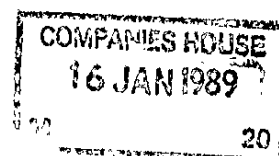
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Company No: 2290541

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

LEGIBUS 1294 LIMITED

(as adopted by a Special Resolution passed  
on 6th January 1989)

1. PRELIMINARY AND DEFINITIONS.

The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985
"Director"	a director for the time being of the Company
"A" Ordinary Share"	an "A" Redeemable Ordinary Share of 1p in the capital of the Company as hereinafter provided
"A" Ordinary Shareholder"	a holder for the time being of "A" Ordinary Shares
"Ordinary Share"	an Ordinary Share of 1p in the capital of the Company as hereinafter provided
"Ordinary Shareholder"	a holder for the time being of Ordinary Shares
"Net Profit"	the consolidated profits on ordinary activities of the Company and its subsidiaries as disclosed by its audited consolidated accounts for the relevant period prepared in accordance with generally accepted accounting principles and on a consistent basis but:-  (1) before deducting any loan interest;

(2) before deducting any tax charged in the said accounts (or any other tax levied upon or measured by reference to profits) on the profits earned by the Company and its subsidiaries;

(3) before any provision is made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserve;

(4) before taking into account extraordinary items before taking into account exceptional items and before taking into account the fees, costs and expenses referred to in Clause 9 of the Shareholders Agreement ; and

(5) before making any deduction (by way of amortisation otherwise) in respect of goodwill

"Sale or Listing"

If:

(a) all or part of the share capital of the Company is admitted to the Official List of The International Stock Exchange of the United Kingdom and the Republic of Ireland or dealings therein commence on the Unlisted Securities Market, or

(b) the whole or substantially the whole of the undertaking of the Company is disposed of; or

(c) the occurrence of a change of control as defined in Article 14 with the substitution of 50% for 30% where it appears

"Shares"

any shares for the time being in the capital of the Company

"Shareholder"

a holder for the time being of any Shares

"Shareholder-related Contract"

any contract, agreement, arrangement or transaction including (without limitation) any such matter entered into for employment or the provision of services made between any Ordinary Shareholder or person who in relation to such Ordinary Shareholder is a Connected Person and the Company or any subsidiary of the Company or any

	holding Company of the Company or any subsidiary of any such holding company
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended)
"Connected Person"	as defined by Section 533 Income and Corporation Taxes Act 1970
"Shareholders Agreement"	the agreement dated 6th January 1989 made between (1) the Company (2) E.W. Boss and (3) Phildrew Nominees Limited relating inter alia to the subscription for Shares

Words and expressions defined in the Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.

## 2. TABLE A

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 64, 73-77 inclusive, 80 and 87 of Table A shall not apply, but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

## 3. PRIVATE COMPANY.

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

## 4. SHARE CAPITAL.

The share capital of the Company at the date of adoption of these Articles is £10,000 divided into 100,000 Ordinary Shares and 900,000 "A" Ordinary Shares.

## 5. ORDINARY AND "A" ORDINARY SHARES

### 5.1 Ordinary and "A" Ordinary Shares to rank as one class

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares and the Ordinary Shares shall rank pari passu but shall subject as provided in Article 8 hereof constitute two separate classes of shares.

### 5.2 Redemption of "A" Ordinary Shares

The provisions of Article 5.3 shall apply in the event of a Sale or Listing PROVIDED THAT:

5.2.1 the Sale or Listing occurs prior to 31st December 1990 and the Net Profit for the financial year ending 31st December 1989 is not less than £10,500,000; or

5.2.2 the Sale or Listing occurs prior to 31st December 1991 and the aggregate of the Net Profits for the financial years ending 31st December 1989 and 1990 exceed £22,700,000; or

5.2.3 the Sale or Listing occurs after 31st December 1991 and the aggregate of Net Profits for the financial years ending 31st December 1989, 1990 and 1991 is not less than £36,600,000.

5.3 In the circumstances described in Article 5.2 the Company shall redeem the Relevant Number of "A" Ordinary Shares at the price subscribed for the shares redeemed (adjusted as appropriate in respect of any sub-division, consolidation or other capital reorganisation after the date of the adoption of these Articles). Such redemption of "A" Ordinary Shares shall be made amongst the "A" Ordinary Shareholders pro rata as nearly as possible to their existing holdings of "A" Ordinary Shares and shall be deemed to have been made immediately prior to the Sale or Listing.

5.4 The "Relevant Number" for the purposes of Article 5.3 above shall be such number of the "A" Ordinary Shares that immediately following redemption shall result in the Ordinary Shares representing the percentage of issued equity share capital of the Company set out in (d) below opposite the period in which Sale or Listing takes place set out in (a) below provided that the aggregate Net Profits are equal to a greater than figure set out in (c) below in respect of the years ending set out in (b) below opposite the appropriate period in (a) below:-

(a)	(b)	(c) (£)	(d)
31-12-90	31-12-89	11,550,000	14%
31-12-90	31-12-89	11,750,000	15%
31-12-91	31-12-89 and 31-12-90	24,970,000	15%
31-12-92	31-12-89, 31-12-90 and 31-12-91	40,260,000	15%

PROVIDED THAT if the appropriate figure in (c) is not reached but exceeds whichever is appropriate of 5.2.1, 5.2.2 or 5.2.3 the percentage figure in (d) shall be adjusted by applying the following fraction (and for a Sale of Listing in 1990 the second line of the above table shall be disregarded):-

$$\frac{\{ X - Y \}}{\{ Z - Y \}} (a - 10) + 10$$

Where:

X = the aggregate Net Profits for the appropriate years  
Y = the aggregate figures of whichever is appropriate of 5.2.1,  
5.2.2 or 5.2.3  
Z = the appropriate figure from (c) above  
a = the appropriate figure from (d) above

5.5 The Company shall deliver written notice to each "A" Ordinary Shareholder at least 28 days in advance of any redemption advising him of the redemption and the number of shares to be redeemed. Such "A" Ordinary Shareholders shall be required to deliver up their share certificates (or a suitable indemnity) in respect of the "A" Ordinary Shares to be redeemed on the due date for redemption. If an "A" Ordinary Shareholders does not deliver up the said share certificate or indemnity such shares shall nevertheless be treated as having been redeemed by the Company and the redemption moneys due thereon shall be retained by the Company pending such delivery up

6. MATTERS REQUIRING CONSENT OF "A" ORDINARY SHAREHOLDERS AND "A" DIRECTOR

6.1 In addition to any other authority required in law the following matters all require to be authorised by the holders of a majority of the "A" Ordinary Shares in general meeting or in writing and provided that in the event of any conflict between any of the provisions of this Article and the provisions of any other Article the provisions of this Article shall prevail:-

6.1.1 the sale lease transfer or other disposition in any financial year of the Company of the whole or any significant part of the undertaking of the Company or the sale or other disposal of a subsidiary the net assets of which represent more than 25 per cent. of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown by the latest available consolidated audited balance sheet of the Company and its subsidiaries (adjusted as appropriate to reflect any deterioration since the balance sheet date if any Director so requires and he shall so require if he has any reason to believe the net tangible assets have decreased since such date) or if no such balance sheet is available then assets representing £8,000,000. Provided that for the purposes of this Article all disposals in any financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required from the "A" Ordinary Shareholders;

6.1.2 any action is commenced to wind up or dissolve the Company or any subsidiary;

6.1.3 the alteration of the accounting reference date of the Company or any subsidiary;

6.1.4 any variation in the authorised or issued share or loan capital or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary;

6.1.5 any capital expenditure by the Company and its subsidiaries in excess of the following agreed aggregate annual limits

For the financial year ended 31st December 1989	£1.8 million
For the financial year ended 31st December 1990	£1.9 million
For the financial year ended 31st December 1991	£1.9 million
For the financial year ended 31st December 1992	£2.1 million
For the financial year ended 31st December 1993	£2.1 million

6.1.6 any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

6.1.7 any alteration to the Memorandum or Articles of Association of the Company or any subsidiary;

6.1.8 the declaration or distribution of any dividend or other payment out of the distributable profits of the Company other than the minimum dividend payable pursuant to Article 7;

6.2 In addition to any authority received in law and by the foregoing Article, the following matters require to be authorised by the "A" Director:-

6.2.1 the creation of any one or more mortgages charges or encumbrances on any asset of the Company or its subsidiaries to secure an amount or amounts aggregating or exceeding in any one financial year of the Company £25,000 or the giving by the Company or its subsidiaries of any guarantee for such an amount or amounts;

6.2.2 the creation of or any amendment to any Shareholder-related Contract or any variation of the remuneration or other benefits payable thereunder or the making by the Company or any subsidiary of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;

6.2.3 entering into by the Company and its subsidiaries of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceed or are likely to exceed £60,000 per annum or the entering into by the Company and its subsidiaries of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £100,000 in any year;

6.2.4 the appointment of any director to the Board of the Company

6.2.5 the appointment of any auditors of the Company or any Subsidiary

6.2.6 the incorporation of a new subsidiary or the purchase of any shares in any Company;

6.2.7 the sale, lease, transfer or other disposition by the Company or its subsidiaries in any financial year of the Company of assets representing more than £1,000,000.

6.3 In addition the "A" Director must be consulted prior to the sale lease transfer or other disposition in any financial year by the Company or its subsidiaries of the Company of assets representing more than £50,000.

## 7. MINIMUM DIVIDEND

7.1 The "A" Ordinary Shareholders and the Ordinary Shareholders shall be entitled in respect of the financial year ending on 31st December 1992 and in respect of each financial year of the Company ending thereafter to a dividend (the "Minimum Dividend") of a cash sum (net of any associated tax credit) equal to 50 per cent. of the net profits (as hereinafter defined) of the Company and its subsidiaries for the relevant financial year; the Minimum Dividend (if any) shall be paid not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the

relevant financial year are adopted such Annual General Meeting to be held no later than three months after the end of each financial period and shall be distributed amongst the "A" Ordinary Shareholders and the Ordinary Shareholders pro rata according to the nominal amount (but excluding any premium) paid up or credited as paid up on the "A" Ordinary Shares and Ordinary Shares held by them respectively.

7.2 For the purpose of calculating the Minimum Dividend the expression "net profits" shall mean the net profits of the Company and its subsidiaries available for distribution as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserves.

7.3 Subject to payment of the Minimum Dividend any further profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the Shareholders according to the amounts paid up or credited as paid up on the Shares (excluding any premium) and in accordance with the rights attaching to such Shares held by them respectively.

#### 8. ISSUES OF SHARES

8.1 Subject to these Articles and save as provided in Article 8.2 the pre-emption provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) of Section 90 of the Act shall apply to any allotment of the Company's equity securities Provided that for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class and the period specified in Section 90(6) of the Act shall be 60 days and Provided further that the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares.

8.2 Save with the consent of the holders of 75 per cent. in nominal value of the "A" Ordinary Shares no person shall be entitled to be entered on the Register of Members of the Company unless such person shall have first entered into an agreement with the Company as agent of and trustee for all the Shareholders to be bound by terms and conditions of the Shareholders Agreement.

#### 9. VOTES

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company.

10. PERMITTED TRANSFERS

10.1 The Directors shall not register any transfer of Shares in the Company save in the circumstances permitted by Articles 10, 11, 12, 13 and save as provided in the subsequent provisions of this Article the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the provisions of Articles 11, 12, 13 and 14

10.2 Without prejudice to Regulation 5 of Table A, any share held by a Shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that Shareholder only ("Beneficial Shareholder") PROVIDED THAT the provisions of this Article and Articles 11, 12, 13 and 14 shall apply to any Share so transferred as if it were still held by the Beneficial Shareholder.

10.3.1 Any share held by a nominee of or a trustee for a beneficial shareholder may, provided always that the requirements of Article 10.3.2. are satisfied, be transferred to such beneficial shareholder or subject to the proviso in Article 10.2 to any other nominee of or trustee for such beneficial shareholder only.

10.3.2 Where a share is to be held as nominee of or transferee for another, the intending nominee or transferee must prior to the issue or transfer of such share to the nominee or transferee disclose to the company that he is to hold such share or shares as nominee of or transferee for a beneficial shareholder. A nominee or transferee failing to make such prior disclosure shall not be entitled to transfer any share or shares subsequently held by him as nominee or transferee to the beneficial shareholder.

10.4 Any Shareholder which is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company PROVIDED ALWAYS THAT the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled directly or indirectly by such ultimate parent company immediately prior to it so ceasing such Shares shall be transferred to another body corporate so controlled.

10.5 Any Share may be transferred at any time by a Shareholder to any other person with the consent of all the holders of ninety five per cent. of the issued Ordinary and "A" Ordinary Shares for the time being of the Company.

10.6 Any Shareholder who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such shareholder and/or relatives of such shareholder and of which the said shareholder is a settlor Provided always that the Trustees give an undertaking to the Company that, in the event of the death of the relevant Shareholder or the relevant Shareholder ceasing to be employed by or a Director of the Company or any subsidiary a Sale Notice pursuant to Article 13.1 in respect of such Shares shall be deemed to have been served by the Trustees.

11. TRANSFER BY "A" ORDINARY SHAREHOLDERS

11.1 Any "A" Ordinary Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the "A" Ordinary Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number



and de-noting numbers (if any) of the "A" Ordinary Shares which the Retiring Shareholder wishes to sell (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 11.6) ("Market Value").

11.2 On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other "A" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

11.3 If the Company shall not have found "A" Ordinary Shareholders willing to purchase all of the Sale Shares pursuant to Article 11.2 the Company shall forthwith offer the Sale Shares not so accepted to the Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares. Such offer shall to the extent that it is not accepted within 42 days of the receipt of the Sale Notice by the Company be deemed to be declined.

11.4 If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Articles 11.2 and 11.3 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

11.4.1 the price for the Sale Shares is to be Market Value determined in accordance with this Article and

11.4.2 subject to the proviso contained in Article 13 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 11.6. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

11.4.3 if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 11.4.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 11.4.2.

11.5 If the Company shall not find purchasing Shareholder(s) pursuant to Articles 11.2 and 11.3 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 11.4 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholder or in respect of which the sale was not completed as aforesaid or (in any case where the Sale Notice stated that the Retiring Shareholder required to sell all and not part only of the Sale Shares) all of the Sale Shares to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 11 shall apply to such further Sale Notice save that Market Value shall be deemed to be much lower price.

11.6 The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties and shall be calculated as if the Sale Shares were sold at the same time and on the same terms as the remainder of the issued share capital of the Company and for a direct proportion of the sale price thus obtained assuming:-

- (a) willing sellers and a willing purchaser for all such shares; and
- (b) that the "A" Ordinary Shares and the Ordinary Shares form one class.

11.7 In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholder as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholder shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

11.8 The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided

that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

## 12. TRANSFERS BY ORDINARY SHAREHOLDERS

12.1 Save as provided in Article 10 the Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

12.2 In this Article:

12.2.1 "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

12.2.2 "Market Value" shall have the meaning ascribed thereto in Article 11.

12.3 Any Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares held by him ("Retiring Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares which the Retiring Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares") which notice shall constitute the company the agent of the Retiring Ordinary Shareholder for the sale of the Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.

12.4 On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares at Market Value to the Qualifying Purchasers.

12.5 If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is/are found for the whole or part of the Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall be completed within seven days of the determination of the Market Value thereof.

12.6 If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares pursuant to Article 12.5 or at any time if so determined in writing by the "A" Director then:

12.6.1 at such time the Retiring Ordinary Shareholder shall be deemed to have served a Sale Notice in respect of such of the Ordinary Sale Shares as remain unsold; and

12.6.2 the Company shall forthwith offer the Sale Shares at Market Value firstly to all the other Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares. Such offer shall to the extent that the same is not accepted within 14 days of receipt by the Company of the Sale Notice be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than

one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares such offer shall to the extent that it is not accepted within 21 days of receipt by the Company of the Sale Notice be deemed to be declined.

12.7 If the Company shall not have found purchasers for all of the Ordinary Sale Shares pursuant to Articles 12.5 and 12.6 the Company shall forthwith offer the Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of the receipt by the Company of the Sale Notice be deemed to be declined and any remaining Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of such shares such offer shall to the extent that it is not accepted within 42 days of the receipt by the Company of the Sale Notice be deemed to be declined.

12.8 Subject to Article 13 the provisions of Article 11 shall apply mutatis mutandis to such offer for sale

### 13. DEEMED TRANSFER NOTICE

13.1 In any case where prior to a Sale or Listing a Shareholder (other than an "A" Director) ceases (for whatever reason) to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as either a director or employee of the Company or of that subsidiary, as the case may be) he shall be deemed to have served a Sale Notice pursuant to Article 12 above in respect of his entire holding of Ordinary Shares (including any shares held for him pursuant to Article 10) and the provisions of Article 12 shall apply in relation thereto save that:

13.1.1 a Sale Notice deemed to be given by such director or employee in the circumstances herein referred to shall not be capable of revocation.

13.1.2 the Market Value in respect of a Sale Notice issued within 12 months from the date of adoption of these Articles other than in respect of Sale Shares held by E.W. Boss or a permitted transferee of his shall be the amount subscribed by such Ordinary Shareholder for such Sale Shares; and

in respect of Ordinary Shares held by E.W. Boss or by his permitted transferee:-

(a) this Article 13 shall not apply in the event that he is unfairly or wrongfully dismissed or if he dies; and

(b) in the event of his ceasing to be an employee or director (and not continuing as mentioned above) for any other reason within twelve months of the date of the adoption of these Articles the Market Value shall be the amount subscribed by him for such Sale Shares.

### 14. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary or "A" Ordinary Shares to any person whomsoever conferring the right

to vote at general meetings of the Company which would result if made and registered in a person whether or not then a member of the Company obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety-five per cent. the issued Ordinary and "A" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary and "A" Ordinary Shares at the Specified Price (as hereinafter defined) which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)

Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Articles 11, 12 and 13.

14.1 For the purpose of this Article

14.1.1 the expression "a controlling interest" shall mean shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings

14.1.2 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and

14.1.3 the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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.

15. ADJOURNED MEETINGS

15.1 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder present shall form a quorum and Regulations 41 of Table A shall be modified accordingly.

15.2 It shall not be necessary to give any notice of an adjourned meeting and Regulations 45 of Table A shall be modified accordingly.

16. POLLS

A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 58 of Table A shall be modified accordingly.

17. DIRECTORS' BORROWING POWERS

Subject to Article 6 hereof the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party PROVIDED THAT the Directors shall procure that the aggregate of the amounts for the time being remaining undischarged or owing by the Company and its subsidiaries by way of borrowed monies (but excluding any inter-company loans, mortgages and charges) and any Loan Notes issued by the Company pursuant to the Shareholders Agreement and including any amounts payable under leases or hire purchase commitments shall not exceed £66,000,000.

17.2 For the purposes of this Article "borrowed monies" shall be deemed to include the following except in so far as otherwise taken into account:-

17.2.1 the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries from any bank, acceptance house, financial institution or any other person whatsoever, whether by way of overdraft, loan, acceptance credit or otherwise howsoever;

17.2.2 any sums of money the repayment whereof by a person other than the Company or any subsidiary is the subject of a guarantee or indemnity by the Company or its subsidiaries;

17.2.3 outstanding amounts raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

17.2.4 the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

17.2.5 the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and

17.2.6 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

17.2.7 for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

17.2.8 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits

Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

17.3 A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Articles 17.1 to 17.2 be owing by the Company and its subsidiaries shall be conclusive in favour of the Company and all persons dealing with the Company.

17.4 When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 17 on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

17.4.1 at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or

17.4.2 to the extent that the repayment of such moneys is specifically covered by a forward purchase contract at the rate of exchange specified therein.

17.5 No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 17 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual, except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

## 18. DIRECTORS

18.1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and not more than seven.

18.2 A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.

18.3 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly.

## 19. "A" DIRECTOR

The holders of 75 per cent. in nominal amount of the "A" Ordinary Shares shall be entitled to appoint and remove a Director of the Company ("A" Director), and the "A" Director shall be entitled to receive an annual fee of £15,000 plus VAT payable quarterly in arrears in respect of such

appointment together with all expenses incurred by him in connection with his appointment as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office or by service upon any other Director for the time being of the Company.

20. BOARD MEETINGS

Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least three clear working days notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director. All Board Meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for all board meetings shall be two Directors one of whom shall be the "A" Director unless the consent in writing is obtained of the "A" Director for the meeting to be held in his absence.

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

LEGIBUS 1294 LIMITED

On the 3rd day of February 1989 the following Resolution was passed as a Special Resolution of the Company:

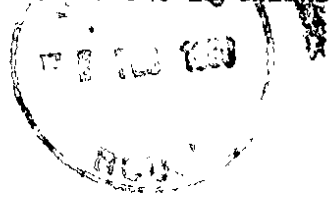
THAT the Articles of Association of the Company be amended by the insertion of the following Articles as Articles 10.7, 10.8 and 10.9:

10.7 Any Shares which are held by an Investment Trust Company (as defined for the purposes of the Rules of The Stock Exchange in London) whose shares are listed on The Stock Exchange in London may be transferred to another such Investment Trust Company:-

- (a) whose shares are also so listed; and
- (b) which is managed by the same Management Company as the transferor or by a holding company of such Management Company or any subsidiary company of such holding company.

Provided always that such transferee gives an undertaking to the Company that in the event of the Investment Trust Company ceasing to satisfy requirements (a) and (b), such Shares shall be transferred back to the transferor.

10.8 Any Shares may be transferred between nominees or Custodian Trustees acting on behalf of Trustees of a superannuation fund which is an exempt approved scheme or treated as an exempt approved scheme by the Commissioners of Inland Revenue for the purposes of Chapter II of Part II of the Finance Act 1970 provided that the transferee gives an undertaking to the Company that upon the criteria set out in this sub-



clause ceasing to be fulfilled such Shares shall be transferred back to the transferor.

10.9 In the case of Legal & General Assurance Society Limited it may transfer shares of the Company or the beneficial interest therein to any unit trust which is managed by Legal & General Group PLC or a subsidiary of Legal & General Group PLC and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by Legal & General Group PLC or any subsidiary as aforesaid it will forthwith re-transfer the shares in question to Legal & General Group PLC or any subsidiary as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 11.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of Legal & General Group PLC or any subsidiary thereof, that is to say persons or funds to whom Legal & General Group PLC or any subsidiary thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

DATED the 3<sup>rd</sup> day of February 1989

  
.....  
Secretary

JSW\$12\$9 05/JAW

THE COMPANIES ACT 1985

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*Clifford  
Chance*

*2290541*

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

S. G. INDUSTRIES LIMITED

Incorporated the 26th day of August, 1988

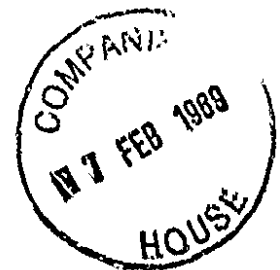
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ADOPTED BY SPECIAL RESOLUTION  
Passed on 6th January 1989 \*

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Clifford Chance  
Royex House,  
Aldermanbury Square,  
London  
EC2V 7LD

REF: JZB/MRL/88062259



\* Amended by Special Resolution on 3rd February 1989

JZB\$04C8.48/SW

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Company No: 2290341

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

S. G. INDUSTRIES LIMITED

(as adopted by a Special Resolution passed  
on 6th January 1989)

1. PRELIMINARY AND DEFINITIONS.

The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985
"Director"	a director for the time being of the Company
"A Ordinary Share"	an "A" Redeemable Ordinary Share of 1p in the capital of the Company as hereinafter provided
"A Ordinary Shareholder"	a holder for the time being of "A" Ordinary Shares
"Ordinary Share"	an Ordinary Share of 1p in the capital of the Company as hereinafter provided
"Ordinary Shareholder"	a holder for the time being of Ordinary Shares
"Net Profit"	the consolidated profits on ordinary activities of the Company and its subsidiaries as disclosed by its audited consolidated accounts for the relevant period prepared in accordance with generally accepted accounting principles and on a consistent basis but:-  (1) before deducting any loan interest;

(2) before deducting any tax charged in the said accounts (or any other tax levied upon or measured by reference to profits) on the profits\* earned by the Company and its subsidiaries;

(3) before any provision is made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserve;

(4) before taking into account extraordinary items before taking into account exceptional items and before taking into account the fees, costs and expenses referred to in Clause 9 of the Shareholders Agreement ; and

(5) before making any deduction (by way of amortisation otherwise) in respect of goodwill

"Sale or Listing"

If:

(a) all or part of the share capital of the Company is admitted to the Official List of The International Stock Exchange of the United Kingdom and the Republic of Ireland or dealings therein commence on the Unlisted Securities Market, or

(b) the whole or substantially the whole of the undertaking of the Company is disposed of; or

(c) the occurrence of a change of control as defined in Article 14 with the substitution of 50% for 30% where it appears

"Shares"

any shares for the time being in the capital of the Company

"Shareholder"

a holder for the time being of any Shares

"Shareholder-related Contract"

any contract, agreement, arrangement or transaction including (without limitation) any such matter entered into for employment or the provision of services made between any Ordinary Shareholder or person who in relation to such Ordinary Shareholder is a Connected Person and the Company or any subsidiary of the Company or any

	holding Company of the Company or any subsidiary of any such holding company
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended)
"Connected Person"	as defined by Section 533 Income and Corporation Taxes Act 1970
"Shareholders Agreement"	the agreement dated 6th January 1989 made between (1) the Company (2) E.W. Boss and (3) Phildrew Nominees Limited relating inter alia to the subscription for Shares

Words and expressions defined in the Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.

## 2. TABLE A

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 64, 73-77 inclusive, 80 and 87 of Table A shall not apply, but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

## 3. PRIVATE COMPANY.

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

## 4. SHARE CAPITAL.

The share capital of the Company at the date of adoption of these Articles is £10,000 divided into 100,000 Ordinary Shares and 900,000 "A" Ordinary Shares.

## 5. ORDINARY SHARES, "A" ORDINARY SHARES AND "B" ORDINARY SHARES

### 5.1 Ordinary and "A" Ordinary Shares to rank as one class

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares and the Ordinary Shares shall rank pari passu but shall subject as provided in Article 8 hereof constitute two separate classes of shares.

5.2 Any "A" ordinary shareholder may at any time convert such or all of his "A" ordinary shares into "B" Ordinary Shares of an equivalent par value (credited with the same premium (if any) which is credited to such "A" Ordinary Shares) ("B" Ordinary Shares) by serving a Notice in Writing on the Company at its registered office or upon any director if such conversion is necessary to prevent any infringement or violation by such "A" Ordinary Shareholder of any law or regulation requiring that the amount of shares held does not exceed any limit imposed by such law or regulation. Save as otherwise specifically provided in Article 5.3

"A" Ordinary and "B" Ordinary shares shall rank pari passu in all respects and all references to "A" Ordinary Shares and "A" Ordinary Shareholders shall be deemed to include reference to "B" Ordinary Shares and "B" Ordinary Shareholders respectively.

5.3 "B" ordinary shares shall not entitle "B" Ordinary Shareholders to exercise any votes at any General Meeting of the Company and the provisions of Article 9 shall be read accordingly. References in Articles 6 and 19 shall not be deemed to include a reference to "B" Ordinary Shares and "B" Ordinary Shareholders.

5.4 Redemption of "A" Ordinary Shares

The provisions of Article 5.5 shall apply in the event of a Sale or Listing PROVIDED THAT:

5.4.1 the Sale or Listing occurs prior to 31st December 1990 and the Net Profit for the financial year ending 31st December 1989 is not less than £10,500,000; or

5.4.2 the Sale or Listing occurs prior to 31st December 1991 and the aggregate of the Net Profits for the financial years ending 31st December 1989 and 1990 exceed £22,700,000; or

5.4.3 the Sale or Listing occurs after 31st December 1991 and the aggregate of Net Profits for the financial years ending 31st December 1989, 1990 and 1991 is not less than £36,600,000.

5.5 In the circumstances described in Article 5.4 the Company shall redeem the Relevant Number of "A" Ordinary Shares at the price subscribed for the shares redeemed (adjusted as appropriate in respect of any sub-division, consolidation or other capital reorganisation after the date of the adoption of these Articles). Such redemption of "A" Ordinary Shares shall be made amongst the "A" Ordinary Shareholders pro rata as nearly as possible to their existing holdings of "A" Ordinary Shares and shall be deemed to have been made immediately prior to the Sale or Listing.

5.6 The "Relevant Number" for the purposes of Article 5.5 above shall be such number of the "A" Ordinary Shares that immediately following redemption shall result in the Ordinary Shares representing the percentage of issued equity share capital of the Company set out in (d) below opposite the period in which Sale or Listing takes place set out in (a) below provided that the aggregate Net Profits are equal to a greater than figure set out in (c) below in respect of the years ending set out in (b) below opposite the appropriate period in (a) below:-

(a)	(b)	(c) (£)	(d)
31-12-90	31-12-89	11,550,000	14%
31-12-90	31-12-89	11,750,000	15%
31-12-91	31-12-89 and 31-12-90	24,970,000	15%
31-12-92	31-12-89, 31-12-90 and 31-12-91	40,260,000	15%



PROVIDED THAT if the appropriate figure in (c) is not reached but exceeds whichever is appropriate of 5.4.1, 5.4.2 or 5.4.3 the percentage figure in (d) shall be adjusted by applying the following fraction (and for a Sale of Listing in 1999 the second line of the above table shall be disregarded):-

$$\frac{\{ X - Y \}}{\{ Z - Y \}} (a - 10) + 10$$

Where:

- X = the aggregate Net Profits for the appropriate years  
 Y = the aggregate figures of whichever is appropriate of 5.4.1, 5.4.2 or 5.4.3  
 Z = the appropriate figure from (c) above  
 a = the appropriate figure from (d) above

5.7 The Company shall deliver written notice to each "A" Ordinary Shareholder at least 28 days in advance of any redemption advising him of the redemption and the number of shares to be redeemed. Such "A" Ordinary Shareholders shall be required to deliver up their share certificates (or a suitable indemnity) in respect of the "A" Ordinary Shares to be redeemed on the due date for redemption. If an "A" Ordinary Shareholders does not deliver up the said share certificate or indemnity such shares shall nevertheless be treated as having been redeemed by the Company and the redemption moneys due thereon shall be retained by the Company pending such delivery up

#### 6. MATTERS REQUIRING CONSENT OF "A" ORDINARY SHAREHOLDERS AND "A" DIRECTOR

6.1 In addition to any other authority required in law the following matters all require to be authorised by the holders of a majority of the "A" Ordinary Shares in general meeting or in writing and provided that in the event of any conflict between any of the provisions of this Article and the provisions of any other Article the provisions of this Article shall prevail:-

6.1.1 the sale lease transfer or other disposition in any financial year of the Company of the whole or any significant part of the undertaking of the Company or the sale or other disposal of a subsidiary the net assets of which represent more than 25 per cent. of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown by the latest available consolidated audited balance sheet of the Company and its subsidiaries (adjusted as appropriate to reflect any deterioration since the balance sheet date if any Director so requires and he shall so require if he has any reason to believe the net tangible assets have decreased since such date) or if no such balance sheet is available then assets representing £8,000,000. Provided that for the purposes of this Article all disposals in any financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required from the "A" Ordinary Shareholders;

6.1.2 any action is commenced to wind up or dissolve the Company or any subsidiary;

6.1.3 the alteration of the accounting reference date of the Company or any subsidiary;

6.1.4 any variation in the authorised or issued share or loan capital or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary;

6.1.5 any capital expenditure by the Company and its subsidiaries in excess of the following agreed aggregate annual limits

For the financial year ended 31st December 1989	£1.8 million
For the financial year ended 31st December 1990	£1.9 million
For the financial year ended 31st December 1991	£1.9 million
For the financial year ended 31st December 1992	£2.1 million
For the financial year ended 31st December 1993	£2.1 million

6.1.6 any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

6.1.7 any alteration to the Memorandum or Articles of Association of the Company or any subsidiary;

6.1.8 the declaration or distribution of any dividend or other payment out of the distributable profits of the Company other than the minimum dividend payable pursuant to Article 7;

6.2 In addition to any authority received in law and by the foregoing Article, the following matters require to be authorised by the "A" Director:-

6.2.1 the creation of any one or more mortgages charges or encumbrances on any asset of the Company or its subsidiaries to secure an amount or amounts aggregating or exceeding in any one financial year of the Company £25,000 or the giving by the Company or its subsidiaries of any guarantee for such an amount or amounts;

6.2.2 the creation of or any amendment to any Shareholder-related Contract or any variation of the remuneration or other benefits payable thereunder or the making by the Company or any subsidiary of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;

6.2.3 entering into by the Company and its subsidiaries of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceed or are likely to exceed £60,000 per annum or the entering into by the Company and its subsidiaries of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £100,000 in any year;

6.2.4 the appointment of any director to the Board of the Company

6.2.5 the appointment of any auditors of the Company or any Subsidiary

6.2.6 the incorporation of a new subsidiary or the purchase of any shares in any Company;

6.2.7 the sale, lease, transfer or other disposition by the Company or its subsidiaries in any financial year of the Company of assets representing more than £1,000,000.

6.3 In addition the "A" Director must be consulted prior to the sale lease transfer or other disposition in any financial year by the Company or its subsidiaries of the Company of assets representing more than £50,000.

#### 7. MINIMUM DIVIDEND

7.1 The "A" Ordinary Shareholders and the Ordinary Shareholders shall be entitled in respect of the financial year ending on 31st December 1992 and in respect of each financial year of the Company ending thereafter to a dividend (the "Minimum Dividend") of a cash sum (net of any associated tax credit) equal to 50 per cent. of the net profits (as hereinafter defined) of the Company and its subsidiaries for the relevant financial year; the Minimum Dividend (if any) shall be paid not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial year are adopted such Annual General Meeting to be held no later than three months after the end of each financial period and shall be distributed amongst the "A" Ordinary Shareholders and the Ordinary Shareholders pro rata according to the nominal amount (but excluding any premium) paid up or credited as paid up on the "A" Ordinary Shares and Ordinary Shares held by them respectively.

7.2 For the purpose of calculating the Minimum Dividend the expression "net profits" shall mean the net profits of the Company and its subsidiaries available for distribution as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserves.

7.3 Subject to payment of the Minimum Dividend any further profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the Shareholders according to the amounts paid up or credited as paid up on the Shares (excluding any premium) and in accordance with the rights attaching to such Shares held by them respectively.

#### 8. ISSUES OF SHARES

8.1 Subject to these Articles and save as provided in Article 8.2 the pre-emption provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) of Section 90 of the Act shall apply to any allotment of the Company's equity securities Provided that for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class and the period specified in Section 90(6) of the Act shall be 60 days and Provided further that the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have

indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares.

8.2 Save with the consent of the holders of 75 per cent. in nominal value of the "A" Ordinary Shares no person shall be entitled to be entered on the Register of Members of the Company unless such person shall have first entered into an agreement with the Company as agent of and trustee for all the Shareholders to be bound by terms and conditions of the Shareholders Agreement.

9. VOTES

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company.

10. PERMITTED TRANSFERS

10.1 The Directors shall not register any transfer of Shares in the Company save in the circumstances permitted by Articles 10, 11, 12, 13 and save as provided in the subsequent provisions of this Article the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the provisions of Articles 11, 12, 13 and 14

10.2 Without prejudice to Regulation 5 of Table A, any share held by a Shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that Shareholder only ("Beneficial Shareholder") PROVIDED THAT the provisions of this Article and Articles 11, 12, 13 and 14 shall apply to any Share so transferred as if it were still held by the Beneficial Shareholder.

10.3.1 Any share held by a nominee of or a trustee for a beneficial shareholder may, provided always that the requirements of Article 10.3.2. are satisfied, be transferred to such beneficial shareholder or subject to the proviso in Article 10.2 to any other nominee of or trustee for such beneficial shareholder only.

10.3.2 Where a share is to be held as nominee of or transferee for another, the intending nominee or transferee must prior to the issue or transfer of such share to the nominee or transferee disclose to the company that he is to hold such share or shares as nominee of or transferee for a beneficial shareholder. A nominee or transferee failing to make such prior disclosure shall not be entitled to transfer any share or shares subsequently held by him as nominee or transferee to the beneficial shareholder.

10.4 Any Shareholder which is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company PROVIDED ALWAYS THAT the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled directly or indirectly by such ultimate parent company immediately prior to it so ceasing such Shares shall be transferred to another body corporate so controlled.

10.5 Any Share may be transferred at any time by a Shareholder to any other person with the consent of all the holders of ninety five per cent. of the issued Ordinary and "A" Ordinary Shares for the time being of the Company.

10.6 Any Shareholder who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such shareholder and/or relatives of such shareholder and of which the said shareholder is a settlor Provided always that the Trustees give an undertaking to the Company that, in the event of the death of the relevant Shareholder or the relevant Shareholder ceasing to be employed by or a Director of the Company or any subsidiary a Sale Notice pursuant to Article 13.1 in respect of such Shares shall be deemed to have been served by the Trustees.

10.7 Any Shares which are held by an Investment Trust Company (as defined for the purposes of the Rules of The Stock Exchange in London) whose shares are listed on The Stock Exchange in London may be transferred to another such Investment Trust Company:-

- (a) whose shares are also so listed; and
- (b) which is managed by the same Management Company as the transferor or by a holding company of such Management Company or any subsidiary company of such holding company.

Provided always that such transferee gives an undertaking to the Company that in the event of the Investment Trust Company ceasing to satisfy requirements (a) and (b), such Shares shall be transferred back to the transferor.

10.8 Any Shares may be transferred between nominees or Custodian Trustees acting on behalf of Trustees of a superannuation fund which is an exempt approved scheme or treated as an exempt approved scheme by the Commissioners of Inland Revenue for the purposes of Chapter II of Part II of the Finance Act 1970 provided that the transferee gives an undertaking to the Company that upon the criteria set out in this sub-clause ceasing to be fulfilled such Shares shall be transferred back to the transferor.

10.9 In the case of Legal & General Assurance Society Limited it may transfer shares of the Company or the beneficial interest therein to any unit trust which is managed by Legal & General Group PLC or a subsidiary of Legal & General Group PLC and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by Legal & General Group PLC or any subsidiary as aforesaid it will forthwith re-transfer the shares in question to Legal & General Group PLC or any subsidiary as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 11.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of Legal & General Group PLC or any subsidiary thereof, that is to say persons or funds to whom Legal & General Group PLC or any subsidiary thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

## 11. TRANSFER BY "A" ORDINARY SHAREHOLDERS

11.1 Any "A" Ordinary Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the "A" Ordinary Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the "A" Ordinary Shares which the Retiring

Shareholder wishes to sell (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 11.6) ("Market Value").

11.2 On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other "A" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

11.3 If the Company shall not have found "A" Ordinary Shareholders willing to purchase all of the Sale Shares pursuant to Article 11.2 the Company shall forthwith offer the Sale Shares not so accepted to the Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares. Such offer shall to the extent that it is not accepted within 42 days of the receipt of the Sale Notice by the Company be deemed to be declined.

11.4 If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Articles 11.2 and 11.3 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

11.4.1 the price for the Sale Shares is to be Market Value determined in accordance with this Article and

11.4.2 subject to the proviso contained in Article 13 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 11.6. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

11.4.3 if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 11.4.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 11.4.2.

11.5 If the Company shall not find purchasing Shareholder(s) pursuant to Articles 11.2 and 11.3 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 11.4 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholder or in respect of which the sale was not completed as aforesaid or (in any case where the Sale Notice stated that the Retiring Shareholder required to sell all and not part only of the Sale Shares) all of the Sale Shares to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 11 shall apply to such further Sale Notice save that Market Value shall be deemed to be much lower price.

11.6 The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties and shall be calculated as if the Sale Shares were sold at the same time and on the same terms as the remainder of the issued share capital of the Company and for a direct proportion of the sale price thus obtained assuming:-

- (a) willing sellers and a willing purchaser for all such shares; and
- (b) that the "A" Ordinary Shares and the Ordinary Shares form one class.

11.7 In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholder as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholder shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

11.8 The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a

Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

12. TRANSFERS BY ORDINARY SHAREHOLDERS

12.1 Save as provided in Article 10 the Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

12.2 In this Article:

12.2.1 "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

12.2.2 "Market Value" shall have the meaning ascribed thereto in Article 11.

12.3 Any Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares held by him ("Retiring Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares which the Retiring Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares") which notice shall constitute the company the agent of the Retiring Ordinary Shareholder for the sale of the Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.

12.4 On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares at Market Value to the Qualifying Purchasers.

12.5 If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is/are found for the whole or part of the Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall be completed within seven days of the determination of the Market Value thereof.

12.6 If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares pursuant to Article 12.5 or at any time if so determined in writing by the "A" Director then:

12.6.1 at such time the Retiring Ordinary Shareholder shall be deemed to have served a Sale Notice in respect of such of the Ordinary Sale Shares as remain unsold; and

12.6.2 the Company shall forthwith offer the Sale Shares at Market Value firstly to all the other Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares. Such offer shall to the extent that the same is not accepted within 14 days of receipt by the Company of the Sale Notice be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to



their existing holdings of Ordinary Shares such offer shall to the extent that it is not accepted within 21 days of receipt by the Company of the Sale Notice be deemed to be declined.

12.7 If the Company shall not have found purchasers for all of the Ordinary Sale Shares pursuant to Articles 12.5 and 12.6 the Company shall forthwith offer the Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of the receipt by the Company of the Sale Notice be deemed to be declined and any remaining Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of such shares such offer shall to the extent that it is not accepted within 42 days of the receipt by the Company of the Sale Notice be deemed to be declined.

12.8 Subject to Article 13 the provisions of Article 11 shall apply mutatis mutandis to such offer for sale

### 13. DEEMED TRANSFER NOTICE

13.1 In any case where prior to a Sale or Listing a Shareholder (other than an "A" Director) ceases (for whatever reason) to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as either a director or employee of the Company or of that subsidiary, as the case may be) he shall be deemed to have served a Sale Notice pursuant to Article 12 above in respect of his entire holding of Ordinary Shares (including any shares held for him pursuant to Article 10) and the provisions of Article 12 shall apply in relation thereto save that:

13.1.1 a Sale Notice deemed to be given by such director or employee in the circumstances herein referred to shall not be capable of revocation.

13.1.2 the Market Value in respect of a Sale Notice issued within 12 months from the date of adoption of these Articles other than in respect of Sale Shares held by E.W. Boss or a permitted transferee of his shall be the amount subscribed by such Ordinary Shareholder for such Sale Shares; and

in respect of Ordinary Shares held by E.W. Boss or by his permitted transferee:-

(a) this Article 13 shall not apply in the event that he is unfairly or wrongfully dismissed or if he dies; and

(b) in the event of his ceasing to be an employee or director (and not continuing as mentioned above) for any other reason within twelve months of the date of the adoption of these Articles the Market Value shall be the amount subscribed by him for such Sale Shares.

### 14. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary or "A" Ordinary Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and

registered in a person whether or not then a member of the Company obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety-five per cent. the issued Ordinary and "A" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary and "A" Ordinary Shares at the Specified Price (as hereinafter defined) which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)

Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Articles 11, 12 and 13.

14.1 For the purpose of this Article

14.1.1 the expression "a controlling interest" shall mean shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings

14.1.2 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and

14.1.3 the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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.

15. ADJOURNED MEETINGS

15.1 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder present shall form a quorum and Regulations 41 of Table A shall be modified accordingly.

15.2 It shall not be necessary to give any notice of an adjourned meeting and Regulations 45 of Table A shall be modified accordingly.

16. POLLS

A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 58 of Table A shall be modified accordingly.

17. DIRECTORS' BORROWING POWERS

Subject to Article 6 hereof the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party PROVIDED THAT the Directors shall procure that the aggregate of the amounts for the time being remaining undischarged or owing by the Company and its subsidiaries by way of borrowed monies (but excluding any inter-company loans, mortgages and charges) and any Loan Notes issued by the Company pursuant to the Shareholders Agreement and including any amounts payable under leases or hire purchase commitments shall not exceed £66,000,000.

17.2 For the purposes of this Article "borrowed monies" shall be deemed to include the following except in so far as otherwise taken into account:-

17.2.1 the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries from any bank, acceptance house, financial institution or any other person whatsoever, whether by way of overdraft, loan, acceptance credit or otherwise howsoever;

17.2.2 any sums of money the repayment whereof by a person other than the Company or any subsidiary is the subject of a guarantee or indemnity by the Company or its subsidiaries;

17.2.3 outstanding amounts raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

17.2.4 the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

17.2.5 the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and

17.2.6 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

17.2.7 for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

17.2.8 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits

Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured. \*

17.3 A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Articles 17.1 to 17.2 be owing by the Company and its subsidiaries shall be conclusive in favour of the Company and all persons dealing with the Company.

17.4 When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 17 on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

17.4.1 at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or

17.4.2 to the extent that the repayment of such moneys is specifically covered by a forward purchase contract at the rate of exchange specified therein.

17.5 No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 17 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

## 18. DIRECTORS

18.1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and not more than seven.

18.2 A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.

18.3 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly.

## 19. "A" DIRECTOR

The holders of 75 per cent. in nominal amount of the "A" Ordinary Shares shall be entitled to appoint and remove a Director of the Company ("A" Director), and the "A" Director shall be entitled to receive an annual fee of £15,000 plus VAT payable quarterly in arrears in respect of such

appointment together with all expenses incurred by him in connection with his appointment as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office or by service upon any other Director for the time being of the Company.

20. BOARD MEETINGS.

Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least three clear working days notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director. All Board Meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for all board meetings shall be two Directors one of whom shall be the "A" Director unless the consent in writing is obtained of the "A" Director for the meeting to be held in his absence.

JZB\$04A8.48/SW

COMPANIES ACT 1985

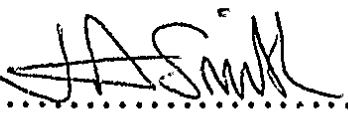
Company Limited by Shares

LEGIBUS 1294 LIMITED

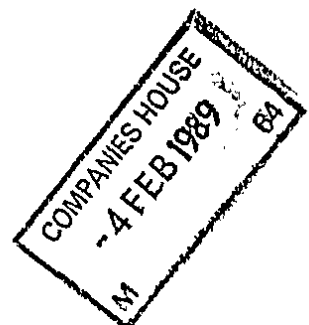
The following Resolution was passed as Special Resolution of the Company on the 3rd day of February 1989:

That the Articles of Association of the Company be amended by the insertion of the following Articles as Article 5.2 and 5.3 and that the existing Articles be renumbered as a consequence:

- 5.2 Any "A" ordinary shareholder may at any time convert such or all of his "A" ordinary shares into "B" Ordinary Shares of an equivalent par value (credited with the same premium (if any) which is credited to such "A" Ordinary Shares) ("B" Ordinary Shares) by serving a Notice in Writing on the Company at its registered office or upon any director if such conversion is necessary to prevent any infringement or violation by such "A" Ordinary Shareholder of any law or regulation requiring that the amount of shares held does not exceed any limit imposed by such law or regulation. Save as otherwise specifically provided in Article 5.3 "A" Ordinary and "B" Ordinary shares shall rank pari passu in all respects and all references to "A" Ordinary Shares and "A" Ordinary Shareholders shall be deemed to include reference to "B" Ordinary Shares and "B" Ordinary Shareholders respectively.
- 5.3 "B" ordinary shares shall not entitle "B" Ordinary Shareholders to exercise any votes at any General Meeting of the Company and the provisions of Article 9 shall be read accordingly. References in Articles 6 and 19 shall not be deemed to include a reference to "B" Ordinary Shares and "B" Ordinary Shareholders.

  
.....  
Secretary

JSW\$06\$9.05



CON 18119 JOD

Company Number 2290541

THE COMPANIES ACT 1985



COMPANY LIMITED BY SHARES

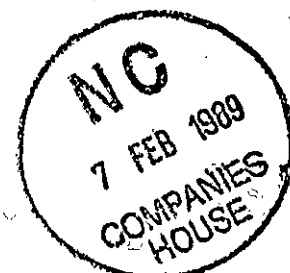
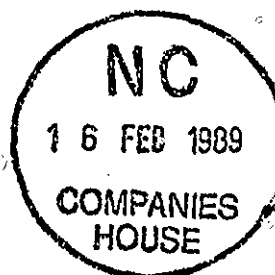
LEGIBUS 1294 LIMITED

On the 3rd February 1989 the following Resolution was passed as a Written Resolution of the Company:-

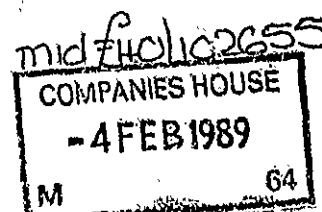
THAT the name of the Company be changed <sup>to</sup> S.G. Industries Limited.

*JA Smith*

Secretary



JSW\$03\$9.05



**FILE COPY**



**CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME**

No. 2290541

I hereby certify that

**LEGIBUS 1294 LIMITED**

having by special resolution changed its name,  
is now incorporated under the name of

**S.G. INDUSTRIES LIMITED**

Given under my hand at the Companies Registration Office,  
Cardiff the 27 FEBRUARY 1989

*Mrs. M. Moss*  
MRS. M. MOSS

an authorised officer





COMPANIES FORM No. 122

**Notice of consolidation, division,  
sub-division, redemption or  
cancellation of shares, or conversion,  
re-conversion of stock into shares**

**122**

Please do not  
write in  
this margin

Pursuant to section 122 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

[ ] [ ] [ ] [ ]

2290541

Name of company

\* LEGIBUS 1294 LIMITED

\* insert full name  
of company

gives notice that:

THE ENTIRE AUTHORISED SHARE CAPITAL OF THE COMPANY, BEING 100 SHARES  
OF £1 EACH HAS BEEN CONVERTED, BY WAY OF SUB-DIVISION INTO 10,000  
SHARES OF 1 PENNY EACH

† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

Designation†

SECRETARY

Date

6/1/89

Presenter's name address and  
reference (if any):

CLIFFORD CHANCE  
ROYEX HOUSE  
ALDERMANBURY SQUARE  
LONDON EC2V 7LD

For official Use  
General Section

Post room

COMPANIES ACT 1985

11 JAN

# G

COMPANIES FORM No. 123

## Notice of increase in nominal capital

# 123

Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--	--

2290541

Name of company

\* LEGIBUS 1294 LIMITED

\* insert full name  
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 6th January 1989 the nominal capital of the company has been increased by ~~£~~ 90,000p beyond the registered capital of ~~£~~ 10,000 p.

§ the copy must be  
printed or in some  
other form approved  
by the registrar

A copy of the resolution authorising the increase is attached.§

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are ~~as follows~~ contained in the Articles of Association of the Company.

Please tick here if  
continued overleaf

☐

† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

Designation†

Secretary

Date

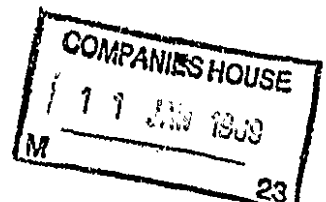
6/1/89

Presentor's name address and  
reference (if any):

CLIFFORD CHANCE  
ROYEX HOUSE  
ALDERMANBURY SQUARE  
LONDON EC2V 7LD

For official Use  
General Section

Post room



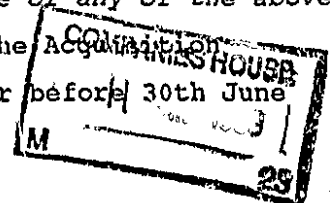
Company No: 2290541

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTIONS  
of  
LEGIBUS 1294 LIMITED

At an Extraordinary General Meeting of the above Company held at Royex House, Aldermanbury Square, London EC2V 7LD on the 6th day of <sup>January</sup> 1989 the following Resolutions were passed as Special Resolutions:-

SPECIAL RESOLUTIONS

- (A) That the authorised capital of the Company be and hereby is increased to £10,000 by the creation of 900,000 "A" Ordinary Shares of 1p each.
- (B) That the Articles of Association in the form of the draft produced to the meeting and initialled by the Chairman be and are hereby adopted as the new Articles of Association of the Company in replacement of and in substitution for the existing Articles of Association of the Company.
- (C) That the Company is hereby authorised to enter into the following agreement containing provisions as to the allotment of shares, the Shareholders Agreement to be made between (1) the Company (2) E.W. Boss and (3) Phildrew Nominees Limited ("the Shareholders Agreement").
- (D) That the Directors from time to time of the Company be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot 837,500 "A" Ordinary Shares of 1p each in accordance with the terms of the Shareholders Agreement and 62,500 "A" Ordinary Shares of 1p each in accordance with the terms of the Share Acquisition Agreement to be entered into between (1) Transport Development Group Plc and (2) the Company (the "Acquisition Agreement"); and provided that this authority shall expire on 30th June 1989 save that this authority shall extend to the allotment at any time of any of the above shares pursuant to the Shareholders Agreement or the Acquisition Agreement if such agreements are entered into on or before 30th June 1989.



(E) . That the Directors from time to time of the Company are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot the above shares in the capital of the Company pursuant to the authority conferred by Resolution (D) above as if sub-section (1) of Section 89 and Section 90(1) to (6) of the Companies Act 1985 did not apply to such allotment provided this power shall expire on 30th June 1989 save that this power shall extend to the allotment at any time of the above shares pursuant to the Shareholders Agreement if such agreements are entered into on or before 30th June 1989.



.....

Chairman

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THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
ORDINARY RESOLUTIONS  
OF  
LEGIBUS 1294 LIMITED

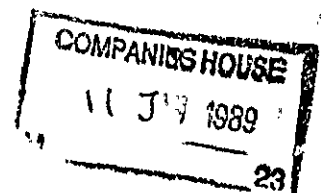
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At an Extraordinary General Meeting of the above Company held at Royex House, Aldermanbury Square, London EC2V 7LD on the 6 day of JAN 1989 the following Resolutions were passed as Ordinary Resolutions:-

1. THAT: pursuant to Section 121 of the Companies Act 1985 each of the authorised shares of £1 each in the capital of the Company (whether issued or unissued) be sub-divided into 100 shares of 1p each.
2. THAT: the authorised share capital of the Company be increased from 10,000 Ordinary Shares of 1p each to 100,000 Ordinary Shares of 1p each by the creation of 90,000 Ordinary Shares of 1p each.
3. THAT: pursuant to Section 95 of the Companies Act 1985, the Directors of the Company be given power to make such allotment as authorised by 4 below as if Section 89(1) of the Companies Act 1985 did not apply to such allotment.
4. THAT: pursuant to Section 80 of the Companies Act 1985, the Directors of the Company be unconditionally granted authority to allot within 5 years of the date of the resolution when such authority shall expire, 30,000 Ordinary Shares of 1p each to Edward Boss.

  
.....  
Chairman

JPON14\$9.01/tjs



Company No: 2290541

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

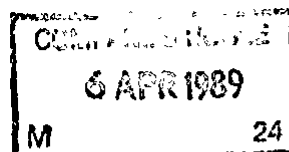
S. G. INDUSTRIES LIMITED

On the 30<sup>th</sup> day of March 1989 the following resolution was passed as a written resolution of the Company:-

That the Articles of Association be amended by the insertion of the following Article

Article 10.10:

Any shareholder which is a body corporate ("the Original Shareholder") may transfer shares of the Company or the beneficial interest therein to any unit trust that is managed by it or by one of its subsidiaries or its holding company and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by the Original Shareholder or any subsidiary or holding company of the Original Shareholder as aforesaid it will forthwith re-transfer the shares in question to the Original Shareholder or any subsidiary or holding company of the Original Shareholder as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 11.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of the Original Shareholder or any subsidiary or holding company thereof, that is to say persons or funds to whom the Original Shareholder or any subsidiary or holding company thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.



JSW\$02\$09.10

.....  
JASMAH  
Secretary

THE COMPANIES ACT 1985

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2290541

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

S. G. INDUSTRIES LIMITED

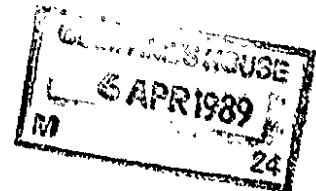
Incorporated the 26th day of August, 1988

---

ADOPTED BY SPECIAL RESOLUTION  
Passed on 6th January 1989 \*

---

Clifford Chance  
Royex House,  
Aldermanbury Square,  
London  
EC2V 7LD



REF: JZB/MRL/88062259

\* Amended by Special Resolution on 3rd February 1989 and on 30th March 1989

JSW\$01\$9.06/jaw/23.03.89

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2. Table A
3. Private company
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7. Minimum dividend
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10. Permitted transfers
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12. Transfers by Ordinary Shareholders
13. Deemed transfer notice
14. Transfers changing control
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18. Directors
19. "A" Director
20. Board meetings



THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

S. G. INDUSTRIES LIMITED

(as adopted by a Special Resolution passed  
on 6th January 1989)

1. PRELIMINARY AND DEFINITIONS.

The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985
"Director"	a director for the time being of the Company
"A" Ordinary Share"	an "A" Redeemable Ordinary Share of 1p in the capital of the Company as hereinafter provided
"A" Ordinary Shareholder"	a holder for the time being of "A" Ordinary Shares
"Ordinary Share"	an Ordinary Share of 1p in the capital of the Company as hereinafter provided
"Ordinary Shareholder"	a holder for the time being of Ordinary Shares
"Net Profit"	the consolidated profits on ordinary activities of the Company and its subsidiaries as disclosed by its audited consolidated accounts for the relevant period prepared in accordance with generally accepted accounting principles and on a consistent basis but:-  (1) before deducting any loan interest;

(2) before deducting any tax charged in the said accounts (or any other tax levied upon or measured by reference to profits) on the profits earned by the Company and its subsidiaries;

(3) before any provision is made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserve;

(4) before taking into account extraordinary items before taking into account exceptional items and before taking into account the fees, costs and expenses referred to in Clause 9 of the Shareholders Agreement ; and

(5) before making any deduction (by way of amortisation otherwise) in respect of goodwill

"Sale or Listing"

If:

(a) all or part of the share capital of the Company is admitted to the Official List of The International Stock Exchange of the United Kingdom and the Republic of Ireland or dealings therein commence on the Unlisted Securities Market, or

(b) the whole or substantially the whole of the undertaking of the Company is disposed of; or

(c) the occurrence of a change of control as defined in Article 14 with the substitution of 50% for 30% where it appears

"Shares"

any shares for the time being in the capital of the Company

"Shareholder"

a holder for the time being of any Shares

"Shareholder-related Contract"

any contract, agreement, arrangement or transaction including (without limitation) any such matter entered into for employment or the provision of services made between any Ordinary Shareholder or person who in relation to such Ordinary Shareholder is a Connected Person and the Company or any subsidiary of the Company or any

	holding Company of the Company or any subsidiary of any such holding company
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended)
"Connected Person"	as defined by Section 533 Income and Corporation Taxes Act 1970
"Shareholders Agreement"	the agreement dated 6th January 1989 made between (1) the Company (2) E.W. Boss and (3) Phildrew Nominees Limited relating inter alia to the subscription for Shares

Words and expressions defined in the Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.

## 2. TABLE A

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 64, 73-77 inclusive, 80 and 87 of Table A shall not apply, but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

## 3. PRIVATE COMPANY.

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

## 4. SHARE CAPITAL.

The share capital of the Company at the date of adoption of these Articles is £10,000 divided into 100,000 Ordinary Shares and 900,000 "A" Ordinary Shares.

## 5. ORDINARY SHARES, "A" ORDINARY SHARES AND "B" ORDINARY SHARES

### 5.1 Ordinary and "A" Ordinary Shares to rank as one class

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares and the Ordinary Shares shall rank pari passu but shall subject as provided in Article 8 hereof constitute two separate classes of shares.

5.2 Any "A" ordinary shareholder may at any time convert such or all of his "A" ordinary shares into "B" Ordinary Shares of an equivalent par value (credited with the same premium (if any) which is credited to such "A" Ordinary Shares) ("B" Ordinary Shares) by serving a Notice in Writing on the Company at its registered office or upon any director if such conversion is necessary to prevent any infringement or violation by such "A" Ordinary Shareholder of any law or regulation requiring that the amount of shares held does not exceed any limit imposed by such law or regulation. Save as otherwise specifically provided in Article 5.3

"A" Ordinary and "B" Ordinary shares shall rank pari passu in all respects and all references to "A" Ordinary Shares and "A" Ordinary Shareholders shall be deemed to include reference to "B" Ordinary Shares and "B" Ordinary Shareholders respectively.

- 5.3 "B" ordinary shares shall not entitle "B" Ordinary Shareholders to exercise any votes at any General Meeting of the Company and the provisions of Article 9 shall be read accordingly. References in Articles 6 and 19 shall not be deemed to include a reference to "B" Ordinary Shares and "B" Ordinary Shareholders.

5.4 Redemption of "A" Ordinary Shares

The provisions of Article 5.5 shall apply in the event of a Sale or Listing PROVIDED THAT:

5.4.1 the Sale or Listing occurs prior to 31st December 1990 and the Net Profit for the financial year ending 31st December 1989 is not less than £10,500,000; or

5.4.2 the Sale or Listing occurs prior to 31st December 1991 and the aggregate of the Net Profits for the financial years ending 31st December 1989 and 1990 exceed £22,700,000; or

5.4.3 the Sale or Listing occurs after 31st December 1991 and the aggregate of Net Profits for the financial years ending 31st December 1989, 1990 and 1991 is not less than £36,600,000.

5.5 In the circumstances described in Article 5.4 the Company shall redeem the Relevant Number of "A" Ordinary Shares at the price subscribed for the shares redeemed (adjusted as appropriate in respect of any sub-division, consolidation or other capital reorganisation after the date of the adoption of these Articles). Such redemption of "A" Ordinary Shares shall be made amongst the "A" Ordinary Shareholders pro rata as nearly as possible to their existing holdings of "A" Ordinary Shares and shall be deemed to have been made immediately prior to the Sale or Listing.

5.6 The "Relevant Number" for the purposes of Article 5.5 above shall be such number of the "A" Ordinary Shares that immediately following redemption shall result in the Ordinary Shares representing the percentage of issued equity share capital of the Company set out in (d) below opposite the period in which Sale or Listing takes place set out in (a) below provided that the aggregate Net Profits are equal to a greater than figure set out in (c) below in respect of the years ending set out in (b) below opposite the appropriate period in (a) below:-

(a)	(b)	(c) (£)	(d)
31-12-90	31-12-89	11,550,000	14%
31-12-90	31-12-89	11,750,000	15%
31-12-91	31-12-89 and 31-12-90	24,970,000	15%
31-12-92	31-12-89, 31-12-90 and 31-12-91	40,260,000	15%

PROVIDED THAT if the appropriate figure in (c) is not reached but exceeds whichever is appropriate of 5.4.1, 5.4.2 or 5.4.3 the percentage figure in (d) shall be adjusted by applying the following fraction (and for a Sale of Listing in 1990 the second line of the above table shall be disregarded):-

$$\frac{\{ X - Y \}}{\{ Z - Y \}} (a - 10) + 10$$

Where:

- X = the aggregate Net Profits for the appropriate years
- Y = the aggregate figures of whichever is appropriate of 5.4.1, 5.4.2 or 5.4.3
- Z = the appropriate figure from (c) above
- a = the appropriate figure from (d) above

5.7 The Company shall deliver written notice to each "A" Ordinary Shareholder at least 28 days in advance of any redemption advising him of the redemption and the number of shares to be redeemed. Such "A" Ordinary Shareholders shall be required to deliver up their share certificates (or a suitable indemnity) in respect of the "A" Ordinary Shares to be redeemed on the due date for redemption. If an "A" Ordinary Shareholders does not deliver up the said share certificate or indemnity such shares shall nevertheless be treated as having been redeemed by the Company and the redemption moneys due thereon shall be retained by the Company pending such delivery up

#### 6. MATTERS REQUIRING CONSENT OF "A" ORDINARY SHAREHOLDERS AND "A" DIRECTOR

6.1 In addition to any other authority required in law the following matters all require to be authorised by the holders of a majority of the "A" Ordinary Shares in general meeting or in writing and provided that in the event of any conflict between any of the provisions of this Article and the provisions of any other Article the provisions of this Article shall prevail:-

6.1.1 the sale lease transfer or other disposition in any financial year of the Company of the whole or any significant part of the undertaking of the Company or the sale or other disposal of a subsidiary the net assets of which represent more than 25 per cent. of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown by the latest available consolidated audited balance sheet of the Company and its subsidiaries (adjusted as appropriate to reflect any deterioration since the balance sheet date if any Director so requires and he shall so require if he has any reason to believe the net tangible assets have decreased since such date) or if no such balance sheet is available then assets representing £8,000,000. Provided that for the purposes of this Article all disposals in any financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required from the "A" Ordinary Shareholders;

6.1.2 any action is commenced to wind up or dissolve the Company or any subsidiary;

6.1.3 the alteration of the accounting reference date of the Company or any subsidiary;

6.1.4 any variation in the authorised or issued share or loan capital or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary;

6.1.5 any capital expenditure by the Company and its subsidiaries in excess of the following agreed aggregate annual limits

For the financial year ended 31st December 1989	£1.8 million
For the financial year ended 31st December 1990	£1.9 million
For the financial year ended 31st December 1991	£1.9 million
For the financial year ended 31st December 1992	£2.1 million
For the financial year ended 31st December 1993	£2.1 million

6.1.6 any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

6.1.7 any alteration to the Memorandum or Articles of Association of the Company or any subsidiary;

6.1.8 the declaration or distribution of any dividend or other payment out of the distributable profits of the Company other than the minimum dividend payable pursuant to Article 7;

6.2 In addition to any authority received in law and by the foregoing Article, the following matters require to be authorised by the "A" Director:-

6.2.1 the creation of any one or more mortgages charges or encumbrances on any asset of the Company or its subsidiaries to secure an amount or amounts aggregating or exceeding in any one financial year of the Company £25,000 or the giving by the Company or its subsidiaries of any guarantee for such an amount or amounts;

6.2.2 the creation of or any amendment to any Shareholder-related Contract or any variation of the remuneration or other benefits payable thereunder or the making by the Company or any subsidiary of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;

6.2.3 entering into by the Company and its subsidiaries of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceed or are likely to exceed £50,000 per annum or the entering into by the Company and its subsidiaries of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £100,000 in any year;

6.2.4 the appointment of any director to the Board of the Company

6.2.5 the appointment of any auditors of the Company or any Subsidiary

6.2.6 the incorporation of a new subsidiary or the purchase of any shares in any Company;

6.2.7 the sale, lease, transfer or other disposition by the Company or its subsidiaries in any financial year of the Company of assets representing more than £1,000,000.

6.3 In addition the "A" Director must be consulted prior to the sale lease transfer or other disposition in any financial year by the Company or its subsidiaries of the Company of assets representing more than £50,000.

#### 7. MINIMUM DIVIDEND

7.1 The "A" Ordinary Shareholders and the Ordinary Shareholders shall be entitled in respect of the financial year ending on 31st December 1992 and in respect of each financial year of the Company ending thereafter to a dividend (the "Minimum Dividend") of a cash sum (net of any associated tax credit) equal to 50 per cent. of the net profits (as hereinafter defined) of the Company and its subsidiaries for the relevant financial year; the Minimum Dividend (if any) shall be paid not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial year are adopted such Annual General Meeting to be held no later than three months after the end of each financial period and shall be distributed amongst the "A" Ordinary Shareholders and the Ordinary Shareholders pro rata according to the nominal amount (but excluding any premium) paid up or credited as paid up on the "A" Ordinary Shares and Ordinary Shares held by them respectively.

7.2 For the purpose of calculating the Minimum Dividend the expression "net profits" shall mean the net profits of the Company and its subsidiaries available for distribution as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserves.

7.3 Subject to payment of the Minimum Dividend any further profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the Shareholders according to the amounts paid up or credited as paid up on the Shares (excluding any premium) and in accordance with the rights attaching to such Shares held by them respectively.

#### 8. ISSUES OF SHARES

8.1 Subject to these Articles and save as provided in Article 8.2 the pre-emption provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) of Section 90 of the Act shall apply to any allotment of the Company's equity securities Provided that for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class and the period specified in Section 90(6) of the Act shall be 60 days and Provided further that the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have

indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares.

8.2 Save with the consent of the holders of 75 per cent. in nominal value of the "A" Ordinary Shares no person shall be entitled to be entered on the Register of Members of the Company unless such person shall have first entered into an agreement with the Company as agent of and trustee for all the Shareholders to be bound by terms and conditions of the Shareholders Agreement.

9. VOTES

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company.

10. PERMITTED TRANSFERS

10.1 The Directors shall not register any transfer of Shares in the Company save in the circumstances permitted by Articles 10, 11, 12, 13 and save as provided in the subsequent provisions of this Article the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the provisions of Articles 11, 12, 13 and 14

10.2 Without prejudice to Regulation 5 of Table A, any share held by a Shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that Shareholder only ("Beneficial Shareholder") PROVIDED THAT the provisions of this Article and Articles 11, 12, 13 and 14 shall apply to any Share so transferred as if it were still held by the Beneficial Shareholder.

10.3.1 Any share held by a nominee of or a trustee for a beneficial shareholder may, provided always that the requirements of Article 10.3.2. are satisfied, be transferred to such beneficial shareholder or subject to the proviso in Article 10.2 to any other nominee of or trustee for such beneficial shareholder only.

10.3.2 Where a share is to be held as nominee of or transferee for another, the intending nominee or transferee must prior to the issue or transfer of such share to the nominee or transferee disclose to the company that he is to hold such share or shares as nominee of or transferee for a beneficial shareholder. A nominee or transferee failing to make such prior disclosure shall not be entitled to transfer any share or shares subsequently held by him as nominee or transferee to the beneficial shareholder.

10.4 Any Shareholder which is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company PROVIDED ALWAYS THAT the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled directly or indirectly by such ultimate parent company immediately prior to it so ceasing such Shares shall be transferred to another body corporate so controlled.

10.5 Any Share may be transferred at any time by a Shareholder to any other person with the consent of all the holders of ninety five per cent. of the issued Ordinary and "A" Ordinary Shares for the time being of the Company.



10.6 Any Shareholder who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such shareholder and/or relatives of such shareholder and of which the said shareholder is a settlor Provided always that the Trustees give an undertaking to the Company that, in the event of the death of the relevant Shareholder or the relevant Shareholder ceasing to be employed by or a Director of the Company or any subsidiary a Sale Notice pursuant to Article 13.1 in respect of such Shares shall be deemed to have been served by the Trustees.

10.7 Any Shares which are held by an Investment Trust Company (as defined for the purposes of the Rules of The Stock Exchange in London) whose shares are listed on The Stock Exchange in London may be transferred to another such Investment Trust Company:-

- (a) whose shares are also so listed; and
- (b) which is managed by the same Management Company as the transferor or by a holding company of such Management Company or any subsidiary company of such holding company.

Provided always that such transferee gives an undertaking to the Company that in the event of the Investment Trust Company ceasing to satisfy requirements (a) and (b), such Shares shall be transferred back to the transferor.

10.8 Any Shares may be transferred between nominees or Custodian Trustees acting on behalf of Trustees of a superannuation fund which is an exempt approved scheme or treated as an exempt approved scheme by the Commissioners of Inland Revenue for the purposes of Chapter II of Part II of the Finance Act 1970 provided that the transferee gives an undertaking to the Company that upon the criteria set out in this sub-clause ceasing to be fulfilled such Shares shall be transferred back to the transferor.

10.9 In the case of Legal & General Assurance Society Limited it may transfer shares of the Company or the beneficial interest therein to any unit trust which is managed by Legal & General Group PLC or a subsidiary of Legal & General Group PLC and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by Legal & General Group PLC or any subsidiary as aforesaid it will forthwith re-transfer the shares in question to Legal & General Group PLC or any subsidiary as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 11.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of Legal & General Group PLC or any subsidiary thereof, that is to say persons or funds to whom Legal & General Group PLC or any subsidiary thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

10.10 Any shareholder which is a body corporate ("the Original Shareholder") may transfer shares of the Company or the beneficial interest therein to any unit trust that is managed by it or by one of its subsidiaries or its holding company and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be

managed by the Original Shareholder or any subsidiary or holding company of the Original Shareholder as aforesaid it will forthwith re-transfer the shares in question to the Original Shareholder or any subsidiary or holding company of the Original Shareholder as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 11.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of the Original Shareholder or any subsidiary or holding company thereof, that is to say persons or firms to whom the Original Shareholder or any subsidiary or holding company thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

#### 11. TRANSFER BY "A" ORDINARY SHAREHOLDERS

11.1 Any "A" Ordinary Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the "A" Ordinary Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the "A" Ordinary Shares which the Retiring Shareholder wishes to sell (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 11.6) ("Market Value").

11.2 On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other "A" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

11.3 If the Company shall not have found "A" Ordinary Shareholders willing to purchase all of the Sale Shares pursuant to Article 11.2 the Company shall forthwith offer the Sale Shares not so accepted to the Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares. Such offer shall to the extent that it is not accepted within 42 days of the receipt of the Sale Notice by the Company be deemed to be declined.

11.4 If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Articles 11.2 and 11.3 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

11.4.1 the price for the Sale Shares is to be Market Value determined in accordance with this Article and

11.4.2 subject to the proviso contained in Article 13 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 11.6. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

11.4.3 if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 11.4.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 11.4.2.

11.5 If the Company shall not find purchasing Shareholder(s) pursuant to Articles 11.2 and 11.3 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 11.4 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholder or in respect of which the sale was not completed as aforesaid or (in any case where the Sale Notice stated that the Retiring Shareholder required to sell all and not part only of the Sale Shares) all of the Sale Shares to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 11 shall apply to such further Sale Notice save that Market Value shall be deemed to be much lower price.

11.6 The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties and shall be calculated as if the Sale Shares were sold at the same time and on the same terms as the remainder of the issued share capital of the Company and for a direct proportion of the sale price thus obtained assuming:-

- (a) willing sellers and a willing purchaser for all such shares; and
- (b) that the "A" Ordinary Shares and the Ordinary Shares form one class.

11.7 In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholder as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholder shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

11.8 The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

## 12. TRANSFERS BY ORDINARY SHAREHOLDERS

12.1 Save as provided in Article 10 the Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

12.2 In this Article:

12.2.1 "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

12.2.2 "Market Value" shall have the meaning ascribed thereto in Article 11.

12.3 Any Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares held by him ("Retiring Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares which the Retiring Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares") which notice shall constitute the company the agent of the Retiring Ordinary Shareholder for the sale of the Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.

12.4 On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares at Market Value to the Qualifying Purchasers.

12.5 If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is/are found for the whole or part of the Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall

be completed within seven days of the determination of the Market Value thereof.

12.6 If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares pursuant to Article 12.5 or at any time if so determined in writing by the "A" Director then:

12.6.1 at such time the Retiring Ordinary Shareholder shall be deemed to have served a Sale Notice in respect of such of the Ordinary Sale Shares as remain unsold; and

12.6.2 the Company shall forthwith offer the Sale Shares at Market Value firstly to all the other Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares. Such offer shall to the extent that the same is not accepted within 14 days of receipt by the Company of the Sale Notice be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares such offer shall to the extent that it is not accepted within 21 days of receipt by the Company of the Sale Notice be deemed to be declined.

12.7 If the Company shall not have found purchasers for all of the Ordinary Sale Shares pursuant to Articles 12.5 and 12.6 the Company shall forthwith offer the Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of the receipt by the Company of the Sale Notice be deemed to be declined and any remaining Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of such shares such offer shall to the extent that it is not accepted within 42 days of the receipt by the Company of the Sale Notice be deemed to be declined.

12.8 Subject to Article 13 the provisions of Article 11 shall apply mutatis mutandis to such offer for sale

### 13. DEEMED TRANSFER NOTICE

13.1 In any case where prior to a Sale or Listing a Shareholder (other than an "A" Director) ceases (for whatever reason) to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as either a director or employee of the Company or of that subsidiary, as the case may be) he shall be deemed to have served a Sale Notice pursuant to Article 12 above in respect of his entire holding of Ordinary Shares (including any shares held for him pursuant to Article 10) and the provisions of Article 12 shall apply in relation thereto save that:

13.1.1 a Sale Notice deemed to be given by such director or employee in the circumstances herein referred to shall not be capable of revocation.

13.1.2 the Market Value in respect of a Sale Notice issued within 12 months from the date of adoption of these Articles other than in respect of Sale Shares held by E.W. Boss or a permitted transferee of his shall be the amount subscribed by such Ordinary Shareholder for such Sale Shares; and

in respect of Ordinary Shares held by E.W. Boss or by his permitted transferee:-

(a) this Article 13 shall not apply in the event that he is unfairly or wrongfully dismissed or if he dies; and

(b) in the event of his ceasing to be an employee or director (and not continuing as mentioned above) for any other reason within twelve months of the date of the adoption of these Articles the Market Value shall be the amount subscribed by him for such Sale Shares.

#### 14. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary or "A" Ordinary Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and registered in a person whether or not then a member of the Company obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety-five per cent. the issued Ordinary and "A" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominee has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary and "A" Ordinary Shares at the Specified Price (as hereinafter defined) which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)

Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Articles 11, 12 and 13.

##### 14.1 For the purpose of this Article

14.1.1 the expression "a controlling interest" shall mean shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings

14.1.2 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and

14.1.3 the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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.

15. ADJOURNED MEETINGS

15.1 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder present shall form a quorum and Regulations 41 of Table A shall be modified accordingly.

15.2 It shall not be necessary to give any notice of an adjourned meeting and Regulations 45 of Table A shall be modified accordingly.

16. POLLS

A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 58 of Table A shall be modified accordingly.

17. DIRECTORS' BORROWING POWERS

Subject to Article 6 hereof the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party PROVIDED THAT the Directors shall procure that the aggregate of the amounts for the time being remaining undischarged or owing by the Company and its subsidiaries by way of borrowed monies (but excluding any inter-company loans, mortgages and charges) and any Loan Notes issued by the Company pursuant to the Shareholders Agreement and including any amounts payable under leases or hire purchase commitments shall not exceed £66,000,000.

17.2 For the purposes of this Article "borrowed monies" shall be deemed to include the following except in so far as otherwise taken into account:-

17.2.1 the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries from any bank, acceptance house, financial institution or any other person whatsoever, whether by way of overdraft, loan, acceptance credit or otherwise howsoever;

17.2.2 any sums of money the repayment whereof by a person other than the Company or any subsidiary is the subject of a guarantee or indemnity by the Company or its subsidiaries;

17.2.3 outstanding amounts raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

17.2.4 the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

17.2.5 the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and

17.2.6 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

17.2.7 for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

17.2.8 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

17.3 A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Articles 17.1 to 17.2 be owing by the Company and its subsidiaries shall be conclusive in favour of the Company and all persons dealing with the Company.

17.4 When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 17 on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

17.4.1 at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or

17.4.2 to the extent that the repayment of such moneys is specifically covered by a forward purchase contract at the rate of exchange specified therein.

17.5 No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 17 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.



18. DIRECTORS

18.1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and not more than seven.

18.2 A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.

18.3 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly.

19. "A" DIRECTOR

The holders of 75 per cent. in nominal amount of the "A" Ordinary Shares shall be entitled to appoint and remove a Director of the Company ("A" Director), and the "A" Director shall be entitled to receive an annual fee of £15,000 plus VAT payable quarterly in arrears in respect of such appointment together with all expenses incurred by him in connection with his appointment as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office or by service upon any other Director for the time being of the Company.

20. BOARD MEETINGS

Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least three clear working days notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director. All Board Meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for all board meetings shall be two Directors one of whom shall be the "A" Director unless the consent in writing is obtained of the "A" Director for the meeting to be held in his absence.

# G

## COMPANIES FORM No. 123

### Notice of increase in nominal capital

# 123

Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--	--

2290541

Name of company

\* S G INDUSTRIES LIMITED

\* insert full name  
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company  
dated 10th December 1990 the nominal capital of the company has been  
increased by £ 9,254,926 beyond the registered capital of £ 10,000

§ the copy must be  
printed or in some  
other form approved  
by the registrar

A copy of the resolution authorising the increase is attached.‡

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new  
shares have been or are to be issued are ~~xxx~~ set out in the new Articles of

Association adopted by the Company on 10th December 1990.

‡ Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

Designation‡

Presentor's name address and  
reference (if any):

Clifford Chance  
Royex House  
Aldermanbury Square  
London EC2V 7LD  
Ref JZB/JSW/S2624/0006

Please tick here if  
continued overleaf

COMPANIES HOUSE  
RECEIVED

CARDIFF

For official Use  
General Section

LONDON  
20 DEC 1990 21 DEC 1990  
Post room

M

14

On the 10th day of December 1990 the following resolutions were passed as Special Resolutions of the Company:-

THAT:-

- 1.(a) The authorised share capital of the Company be and is hereby increased from £10,000 to £9,264,926 by the creation of an additional 3,600,000 "A" Ordinary Shares of 1p each, 400,000 Ordinary Shares of 1p each and 9,214,926 10% Preference Shares of a £1 each having attached there to the rights and privileges and being subject to the limitations and restrictions set forth in the new Articles of Association of the Company to be adopted pursuant to resolution 2 hereof.
- 1.(b) For the purposes of Section 80 of the Companies Act 1985 ("the Act") and so that expressions used in this resolution shall bear the same meanings as in said section:-
  - (i) the directors of the Company be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot and make offers or agreements to allot relevant securities out of the unissued shares in the capital of the Company immediately following the passing of this resolution and to a maximum amount of £9,254,926 to such persons at such times and on such terms as they think proper provided that this authority shall expire unless previously renewed, varied or revoked by the Company in general meeting on 10th December 1995; and
  - (ii) the Company be and it is hereby authorised to make prior to the expiry of a said period any offer or agreement which would or might require relevant securities to be allotted after expiry of the said period and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of any authority given by this resolution.

COMPANIES HOUSE

20 DEC 1990 2 DEC 1991

- 1.(c) Directors from time to time of the Company are hereby empowered pursuant to Section 80 of the Companies Act 1985 to allot all or any of the above shares in the capital of the Company pursuant to the authority conferred by paragraph (b) of this resolution under Section 89(1) and 90(1) to (6) of the Companies Act 1985 did not apply to such allotment provided that this power shall expire on 10th December 1995 save to the extent that any commitment to allot all or any such shares has been entered into prior that date.
2. New Articles of Association in the form of the draft produced to the meeting and initialled by the Chairman for the purposes of identification be and are hereby adopted as new Articles of Association of the Company in replacement of and in substitution for the existing Articles of Association of the Company.

Dated: 10 December 1990

  
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THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

S G INDUSTRIES LIMITED

Incorporated the 26th day of August 1988

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ADOPTED BY SPECIAL RESOLUTION  
Passed on 10th December 1990

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Clifford Chance  
Royex House,  
Aldermanbury Square,  
London  
EC2V 7LD

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Company No: 2290541

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

S G INDUSTRIES LIMITED

(as adopted by a Special Resolution passed  
on 10th December 1990)

1. PRELIMINARY AND DEFINITIONS.

The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985
"Director"	a director for the time being of the Company
"A Ordinary Share"	an "A" Ordinary Share of 1p in the capital of the Company as hereinafter provided
"A Ordinary Shareholder"	a holder for the time being of "A" Ordinary Shares
"Ordinary Share"	an Ordinary Share of 1p in the capital of the Company as hereinafter provided
"Ordinary Shareholder"	a holder for the time being of Ordinary Shares
"Preference Share"	a cumulative 10% Preference Share of £1 in the capital of the Company as hereinafter provided
"Preference Shareholder"	a holder for the time being of Preference Shares
"Sale or Listing"	If:

(a) all or part of the share capital of the Company is admitted to the Official List of The International Stock Exchange of the United Kingdom

and the Republic of Ireland or dealings therein commence on the Unlisted Securities Market, or

(b) the whole or substantially the whole of the undertaking of the Company is disposed of; or

(c) the occurrence of a change of control as defined in Article 14 with the substitution of 50% for 30% where it appears

"Shares"

any shares for the time being in the capital of the Company

"Shareholder"

a holder for the time being of any Shares

"Shareholder-related Contract"

any contract, agreement, arrangement or transaction including (without limitation) any such matter entered into for employment or the provision of services made between any Ordinary Shareholder or person who in relation to such Ordinary Shareholder is a Connected Person and the Company or any subsidiary of the Company or any holding Company of the Company or any subsidiary of any such holding company

"Table A"

Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended)

"Connected Person"

as defined by Section 533 Income and Corporation Taxes Act 1970

"Shareholders Agreement"

the agreement dated 6th January 1989 made between (1) the Company (2) E.W. Boss and (3) Phildrew Nominees Limited relating inter alia to the subscription for Shares

Words and expressions defined in the Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.

## 2. TABLE A

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 64, 73-77 inclusive, 80 and 87 of Table A shall not apply, but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.



3. PRIVATE COMPANY.

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

4. SHARE CAPITAL.

The share capital of the Company at the date of adoption of these Articles is £9,264,926 divided into 9,214,926 Preference Shares, 500,000 Ordinary Shares and 4,500,000 "A" Ordinary Shares.

5. ORDINARY SHARES, "A" ORDINARY SHARES AND "B" ORDINARY SHARES

5.1 Ordinary and "A" Ordinary Shares to rank as one class

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares and the Ordinary Shares shall rank pari passu but shall subject as provided in Article 9 hereof constitute two separate classes of shares.

5.2 Any "A" ordinary shareholder may at any time convert such or all of his "A" ordinary shares into "B" Ordinary Shares of an equivalent par value (credited with the same premium (if any) which is credited to such "A" Ordinary Shares) ("B" Ordinary Shares) by serving a Notice in Writing on the Company at its registered office or upon any director if such conversion is necessary to prevent any infringement or violation by such "A" Ordinary Shareholder of any law or regulation requiring that the amount of shares held does not exceed any limit imposed by such law or regulation. Save as otherwise specifically provided in Article 5.3 "A" Ordinary and "B" Ordinary shares shall rank pari passu in all respects and all references to "A" Ordinary Shares and "A" Ordinary Shareholders shall be deemed to include reference to "B" Ordinary Shares and "B" Ordinary Shareholders respectively.

5.3 "B" ordinary shares shall not entitle "B" Ordinary Shareholders to exercise any votes at any General Meeting of the Company and the provisions of Article 10 shall be read accordingly. References in Articles 7 and 21 shall not be deemed to include a reference to "B" Ordinary Shares and "B" Ordinary Shareholders.

6. RIGHTS OF THE PREFERENCE SHARES

6.1 As Regards Income

6.1.1 The Preference Shares shall confer on the holders thereof the right to receive in priority to the transfer of any sum to reserves or rights of the holders of any other class of shares in the capital of the Company and payable without any resolution of the Directors or of the Company a fixed cumulative preferential dividend ("Preference Dividend") at the following rates per annum gross in respect of the periods set out below:

Rate per annum

Period

10 per cent

from 10th December 1990 to 31st March 1994

12.5 per cent

from 1st April 1994 and thereafter

in each case on the nominal amount of the capital for the time being paid up thereon. The Preference Dividend shall accrue from day to day and be paid annually on 31st March in each year in respect of the twelve months ending on that date, out of the profits of the Company available for distribution provided that the first payment shall be due and payable on 31st March 1994 and shall be calculated in respect of the period from 10th December 1990 up to and including 31st March 1994.

Any amount not so paid shall be carried forward and be payable in priority, to the Preference Dividend payable on any later date.

6.1.2 The rate at which the Preference Dividend is payable shall be a rate per annum compounded with rests on the due dates for payment thereof and the amount payable in respect of an overdue dividend shall be increased accordingly.

6.1.3 the amount of the accrued Preference Dividend due and payable on 31st March 1994 shall be capitalised as at 31st March 1994 and applied in the issue to Preference Shareholders pro rata their existing holdings of Preference Shares of new Preference Shares of £1 each credited as fully paid.

6.2 As Regards Capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the Shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company in paying to the Preference Shareholders:

- (i) first, the nominal amounts paid up on the Preference shares held by them; and
- (ii) secondly, a sum equal to any arrears or deficiency of the Preference Dividend to be calculated down to the date of return of capital and to be payable irrespective of whether or not such dividend has been declared or earned.

6.3 Further Participation

The Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

6.4 As Regards Voting

Preference Shareholders shall be entitled to receive notice of and to attend and speak but not to vote at all General Meetings of the Company unless the Company shall not have paid the Preference Dividend on a due date for payment or shall have failed to make lawful payment of the redemption moneys due on a redemption of the Preference Shares when the Preference Shareholders shall be entitled to receive notice of, to attend and until payment or redemption to

vote at any General Meeting of the Company and on a show of hands each Preference Shareholder present in person or by proxy shall have one vote and on a poll shall have one vote for every Preference Share of which he is the holder.

6.5 As Regards Redemption

6.5.1 the Company shall (provided always that the Directors of the Company reasonably believe that the Preference Shares may be redeemed without the Company going into insolvent liquidation within 12 months of the date of such redemption) redeem the whole of the Preference Shares for cash at par immediately prior to a Sale or Listing or on 31st December 1998 whichever is earlier.

6.5.2 the Redemption Date shall be the date immediately prior to such Sale or Listing or 31st December 1998 as appropriate and any failure to do any act by a Preference Shareholder shall not prejudice due and proper redemption hereunder.

6.5.3 upon the Redemption Date the nominal value of the Preference Shares to be redeemed and any Preference Dividend due thereon ("the redemption moneys") shall become a debt due and payable by the Company to the relevant Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the redemption moneys to the appropriate shareholder.

6.5.4 on redemption the Company shall cancel the share certificate of the shareholder concerned.

6.5.5 As from the Redemption Date the Preference Dividend shall cease to accrue on any shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the redemption moneys in which case the Preference Dividend shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment.

6.5.6 For the purpose of Clause 6.5.1 above the Company may and shall whenever so required by any of the Preference Shareholders procure a report or opinion of the Company's auditors or (if it is in liquidation) by its liquidator as to whether or not the Company would be likely to go into insolvent liquidation within 12 months of the Redemption Date if the Preference Shares were to be redeemed on the Redemption Date.

6.6 Matters Requiring Consent of Preference Shareholders

So long as any Preference Shares shall remain outstanding and except with such consent or sanction on the part of the Preference Shareholders as is required for a variation of the special rights attached to such shares:

6.6.1 the Company shall not modify or vary the rights attaching to the "A" Ordinary Shares or Ordinary Shares or the terms of the Preference Shares;

6.6.2 the Company shall not pass any resolution for reducing the "A" Ordinary Shares or Ordinary Shares or save for the purpose of redeeming the Preference Shares the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner or reduce any uncalled liability in respect of partly paid shares;

6.6.3 the Company shall not make any distribution, payment or return to Shareholders (other than in respect of the Preference Shares) of a capital nature;

6.6.4 the Company shall not issue any further shares ranking as regarding participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares;

6.6.5 the Company shall not permit any subsidiary to issue (other than to the Company) or another wholly owned subsidiary of the Company any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital nor shall any disposal be made by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid);

6.6.6 the Company shall not capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve.

7. MATTERS REQUIRING CONSENT OF "A" ORDINARY SHAREHOLDERS AND "A" DIRECTOR

7.1 In addition to any other authority required in law the following matters all require to be authorised by the holders of a majority of the "A" Ordinary Shares in general meeting or in writing and provided that in the event of any conflict between any of the provisions of this Article and the provisions of any other Article the provisions of this Article shall prevail:-

7.1.1 the sale lease transfer or other disposition in any financial year of the Company of the whole or any significant part of the undertaking of the Company or the sale or other disposal of a subsidiary the net assets of which represent more than 25 per cent. of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown by the latest available consolidated audited balance sheet of the Company and its subsidiaries (adjusted as appropriate to reflect any deterioration since the balance sheet date if any Director so requires and he shall so require if he has any reason to believe the net tangible assets have decreased since such date) or if no such balance sheet is available then assets representing £5,000,000. Provided that for the purposes of this Article all disposals in any financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required from the "A" Ordinary Shareholders;

7.1.2 any action is commenced to wind up or dissolve the Company or any subsidiary;

7.1.3 the alteration of the accounting reference date of the Company or any subsidiary;

7.1.4 any variation in the authorised or issued share or loan capital or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary;

7.1.5 any capital expenditure by the Company and its subsidiaries in excess of the following agreed aggregate annual limits

For the financial year ended 31st December 1991	£1.9 million
For the financial year ended 31st December 1992	£2.3 million
For the financial year ended 31st December 1993	£2.3 million

7.1.6 any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

7.1.7 any alteration to the Memorandum or Articles of Association of the Company or any subsidiary;

7.1.8 the declaration or distribution of any dividend or other payment out of the distributable profits of the Company other than the minimum dividend payable pursuant to Article 8 and the Preference Dividend payable pursuant to Article 6;

7.2 In addition to any authority received in law and by the foregoing Article, the following matters require to be authorised by the "A" Director:-

7.2.1 the creation of any one or more mortgages charges or encumbrances on any asset of the Company or its subsidiaries to secure an amount or amounts aggregating or exceeding in any one financial year of the Company £25,000 or the giving by the Company or its subsidiaries of any guarantee for such an amount or amounts;

7.2.2 the creation of or any amendment to any Shareholder-related Contract or any variation of the remuneration or other benefits payable thereunder or the making by the Company or any subsidiary of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;

7.2.3 entering into by the Company and its subsidiaries of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceed or are likely to exceed £60,000 per annum or the entering into by the Company and its subsidiaries of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £100,000 in any year;

7.2.4 the appointment of any director to the Board of the Company

7.2.5 the appointment of any auditors of the Company or any Subsidiary

7.2.6 the incorporation of a new subsidiary or the purchase of any shares in any Company;

7.2.7 the sale, lease, transfer or other disposition by the Company or its subsidiaries in any financial year of the Company of assets representing more than £500,000.

7.3 In addition the "A" Director must be consulted prior to the sale lease transfer or other disposition in any financial year by the Company or its subsidiaries of the Company of assets representing more than £50,000.

#### 8. MINIMUM DIVIDEND

8.1 Subject to the payment of the Preference Dividend the "A" Ordinary Shareholders and the Ordinary Shareholders shall be entitled in respect of the financial year ending on 31st December 1995 and in respect of each financial year of the Company ending thereafter to a dividend (the "Minimum Dividend") of a cash sum (net of any associated tax credit) equal to 50 per cent. of the net profits (as hereinafter defined) of the Company and its subsidiaries for the relevant financial year; the Minimum Dividend (if any) shall be paid not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial year are adopted such Annual General Meeting to be held no later than three months after the end of each financial period and shall be distributed amongst the "A" Ordinary Shareholders and the Ordinary Shareholders pro rata according to the nominal amount (but excluding any premium) paid up or credited as paid up on the "A" Ordinary Shares and Ordinary Shares held by them respectively.

8.2 For the purpose of calculating the Minimum Dividend the expression "net profits" shall mean the net profits of the Company and its subsidiaries available for distribution as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserves other than in respect of the Preference Shares.

8.3 Subject to payment of the Minimum Dividend any further profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the Shareholders according to the amounts paid up or credited as paid up on the Shares (excluding any premium) and in accordance with the rights attaching to such Shares held by them respectively.

#### 9. ISSUES OF SHARES

9.1 Subject to these Articles and save as provided in Article 9.2 the pre-emption provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) of Section 90 of the Act shall apply to any allotment of the Company's equity securities Provided that for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class and the period specified in Section 90(6) of the Act shall be 60 days and Provided further that the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each

Equity Shareholder indicated he would accept bears to the total number of Excess Shares.

9.2 Save with the consent of the holders of 75 per cent. in nominal value of the "A" Ordinary Shares no person shall be entitled to be entered on the Register of Members of the Company unless such person shall have first entered into an agreement with the Company as agent of and trustee for all the Shareholders to be bound by terms and conditions of the Shareholders Agreement.

#### 10. VOTES

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company.

#### 11. PERMITTED TRANSFERS

11.1 The Directors shall not register any transfer of Shares in the Company save in the circumstances permitted by Articles 11, 12, 13, 14 and save as provided in the subsequent provisions of this Article the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the provisions of Articles 12, 13, 14 and 15

11.2 Without prejudice to Regulation 5 of Table A, any share held by a Shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that Shareholder only ("Beneficial Shareholder") PROVIDED THAT the provisions of this Article and Articles 12, 13, 14 and 15 shall apply to any Share so transferred as if it were still held by the Beneficial Shareholder.

11.3.1 Any share held by a nominee of or a trustee for a beneficial shareholder may, provided always that the requirements of Article 11.3.2. are satisfied, be transferred to such beneficial shareholder or subject to the proviso in Article 11.2 to any other nominee of or trustee for such beneficial shareholder only.

11.3.2 Where a share is to be held as nominee of or transferee for another, the intending nominee or transferee must prior to the issue or transfer of such share to the nominee or transferee disclose to the company that he is to hold such share or shares as nominee of or transferee for a beneficial shareholder. A nominee or transferee failing to make such prior disclosure shall not be entitled to transfer any share or shares subsequently held by him as nominee or transferee to the beneficial shareholder.

11.4 Any Shareholder which is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company PROVIDED ALWAYS THAT the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled directly or indirectly by such ultimate parent company immediately prior to it so ceasing such Shares shall be transferred to another body corporate so controlled.

11.5 Any Share may be transferred at any time by a Shareholder to any other person with the consent of all the holders of ninety five per cent. of the issued Ordinary and "A" Ordinary Shares for the time being of the Company.

11.6 Any Shareholder who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such shareholder and/or relatives of such shareholder and of which the said shareholder is a settlor Provided always that the Trustees give an undertaking to the Company that, in the event of the death of the relevant Shareholder or the relevant Shareholder ceasing to be employed by or a Director of the Company or any subsidiary a Sale Notice pursuant to Article 14.1 in respect of such Shares shall be deemed to have been served by the Trustees.

11.7 Any Shares which are held by an Investment Trust Company (as defined for the purposes of the Rules of The Stock Exchange in London) whose shares are listed on The Stock Exchange in London may be transferred to another such Investment Trust Company:-

- (a) whose shares are also so listed; and
- (b) which is managed by the same Management Company as the transferor or by a holding company of such Management Company or any subsidiary company of such holding company.

Provided always that such transferee gives an undertaking to the Company that in the event of the Investment Trust Company ceasing to satisfy requirements (a) and (b), such Shares shall be transferred back to the transferor.

11.8 Any Shares may be transferred between nominees or Custodian Trustees acting on behalf of Trustees of a superannuation fund which is an exempt approved scheme or treated as an exempt approved scheme by the Commissioners of Inland Revenue for the purposes of Chapter II of Part II of the Finance Act 1970 provided that the transferee gives an undertaking to the Company that upon the criteria set out in this sub-clause ceasing to be fulfilled such Shares shall be transferred back to the transferor.

11.9 In the case of Legal & General Assurance Society Limited it may transfer shares of the Company or the beneficial interest therein to any unit trust which is managed by Legal & General Group PLC or a subsidiary of Legal & General Group PLC and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by Legal & General Group PLC or any subsidiary as aforesaid it will forthwith re-transfer the shares in question to Legal & General Group PLC or any subsidiary as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 12.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of Legal & General Group PLC or any subsidiary thereof, that is to say persons or funds to whom Legal & General Group PLC or any subsidiary thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

## 12. TRANSFER BY "A" ORDINARY SHAREHOLDERS

12.1 Any "A" Ordinary Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the "A" Ordinary Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the "A" Ordinary Shares which the Retiring Shareholder wishes to sell (the "Sale Shares") which notice shall constitute



the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 12.6) ("Market Value").

12.2 On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other "A" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

12.3 If the Company shall not have found "A" Ordinary Shareholders willing to purchase all of the Sale Shares pursuant to Article 12.2 the Company shall forthwith offer the Sale Shares not so accepted to the Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares. Such offer shall to the extent that it is not accepted within 42 days of the receipt of the Sale Notice by the Company be deemed to be declined.

12.4 If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Articles 12.2 and 12.3 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

12.4.1 the price for the Sale Shares is to be Market Value determined in accordance with this Article and

12.4.2 subject to the proviso contained in Article 14 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 12.6. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

12.4.3 if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 12.4.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 12.4.2.

12.5 If the Company shall not find purchasing Shareholder(s) pursuant to Articles 12.2 and 12.3 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 12.4 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholder or in respect of which the sale was not completed as aforesaid or (in any case where the Sale Notice stated that the Retiring Shareholder required to sell all and not part only of the Sale Shares) all of the Sale Shares to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 12 shall apply to such further Sale Notice save that Market Value shall be deemed to be much lower price.

12.6 The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties and shall be calculated as if the Sale Shares were sold at the same time and on the same terms as the remainder of the issued share capital of the Company and for a direct proportion of the sale price thus obtained assuming:-

- (a) willing sellers and a willing purchaser for all such shares; and
- (b) that the "A" Ordinary Shares and the Ordinary Shares form one class.

12.7 In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholder as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholder shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

12.8 The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a

Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

12.9 Any Retiring Shareholder shall be entitled to specify in the Sale Notice that it is a condition of the sale of the Sale Shares that the purchasing shareholder also purchases from the Retiring Shareholder such number of the Preference Shares held by the Retiring Shareholder as shall be proportionate to the number of "A" Ordinary Shares being purchased by the Purchasing Shareholder from the Retiring Shareholder. Such Preference Shares shall be sold and purchased at Market Value in accordance with the provisions of Articles 16.5 to 16.7.

### 13. TRANSFERS BY ORDINARY SHAREHOLDERS

13.1 Save as provided in Article 11 the Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

13.2 In this Article:

13.2.1 "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

13.2.2 "Market Value" shall have the meaning ascribed thereto in Article 12.

13.3 Any Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares held by him ("Retiring Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares which the Retiring Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares") which notice shall constitute the company the agent of the Retiring Ordinary Shareholder for the sale of the Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.

13.4 On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares at Market Value to the Qualifying Purchasers.

13.5 If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is/are found for the whole or part of the Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall be completed within seven days of the determination of the Market Value thereof.

13.6 If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares pursuant to Article 13.5 or at any time if so determined in writing by the "A" Director then:

13.6.1 at such time the Retiring Ordinary Shareholder shall be deemed to have served a Sale Notice in respect of such of the Ordinary Sale Shares as remain unsold; and

13.6.2 the Company shall forthwith offer the Sale Shares at Market Value firstly to all the other Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares. Such offer shall to the extent that the same is not accepted within 14 days of receipt by the Company of the Sale Notice be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares such offer shall to the extent that it is not accepted within 21 days of receipt by the Company of the Sale Notice be deemed to be declined.

13.7 If the Company shall not have found purchasers for all of the Ordinary Sale Shares pursuant to Articles 13.5 and 13.6 the Company shall forthwith offer the Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of the receipt by the Company of the Sale Notice be deemed to be declined and any remaining Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of such shares such offer shall to the extent that it is not accepted within 42 days of the receipt by the Company of the Sale Notice be deemed to be declined.

13.8 Subject to Article 14 the provisions of Article 12 shall apply mutatis mutandis to such offer for sale

#### 14. DEEMED TRANSFER NOTICE

14.1 In any case where prior to a Sale or Listing a Shareholder (other than an "A" Director) ceases (for whatever reason) to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as either a director or employee of the Company or of that subsidiary, as the case may be) he shall be deemed to have served a Sale Notice pursuant to Article 13 above in respect of his entire holding of Ordinary Shares (including any shares held for him pursuant to Article 11) and the provisions of Article 13 shall apply in relation thereto save that a Sale Notice deemed to be given by such director or employee in the circumstances herein referred to shall not be capable of revocation; and in respect of Ordinary Shares held by E.W. Boss or by his permitted transferee this Article 14 shall not apply in the event that he is unfairly or wrongfully dismissed or if he dies.

#### 15. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary or "A" Ordinary Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and registered in a person whether or not then a member of the Company obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety-five per cent. the issued Ordinary and "A" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary and "A"

Ordinary Shares at the Specified Price (as hereinafter defined) and the Preference Shares at par plus an amount equal to any arrears and accruals of the Preference Dividend which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)

Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Articles 12, 13 and 14.

15.1 For the purpose of this Article

15.1.1 the expression "a controlling interest" shall mean shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings

15.1.2 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and

15.1.3 the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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.

16. TRANSFERS OF PREFERENCE SHARES

16.1 Any Preference Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the Preference Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the Preference Shares which the Retiring Shareholder wishes to sell (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 16.6) ("Market Value").

16.2 On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other Preference Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Preference Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares

which have not been accepted shall forthwith be offered at Market Value to the Preference Shareholders who have accepted Sale Shares and if there be more than one such Preference Shareholder in proportion as nearly as may be to their existing holdings of Preference Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

16.3 If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Article 16.2 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

16.3.1 the price for the Sale Shares is to be Market Value determined in accordance with this Article and

16.3.2 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 16.5. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

16.3.3 if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 16.3.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 16.3.2.

16.4 If the Company shall not find purchasing Shareholder(s) pursuant to Article 16.2 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 16.3 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholders or in respect of which the sale was not completed as aforesaid to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 16 shall apply to such further Sale Notice save that Market Value shall be deemed to be the lower price.

16.5 The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act

as an expert and not as an arbitrator and his decision shall be final and binding upon the parties.

16.6 In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholders as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholders shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

16.7 The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

#### 17. ADJOURNED MEETINGS

17.1 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder present shall form a quorum and Regulations 41 of Table A shall be modified accordingly.

17.2 It shall not be necessary to give any notice of an adjourned meeting and Regulations 45 of Table A shall be modified accordingly.

#### 18. POLLS

A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 58 of Table A shall be modified accordingly.

#### 19. DIRECTORS' BORROWING POWERS

Subject to Article 7 hereof the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party PROVIDED THAT the Directors shall procure that the aggregate of the amounts for the time being remaining undischarged or owing by the Company and its subsidiaries by way of borrowed monies (but excluding any inter-company loans, mortgages and charges) and any Loan Notes issued by the Company pursuant to the Shareholders Agreement and including any amounts payable under leases or hire purchase commitments shall not exceed £66,000,000.

19.2 For the purposes of this Article "borrowed monies" shall be deemed to include the following except in so far as otherwise taken into account:-

19.2.1 the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries from any bank, acceptance house, financial institution or any other person whatsoever, whether by way of overdraft, loan, acceptance credit or otherwise howsoever;

19.2.2 any sum of money the repayment whereof by a person other than the Company or any subsidiary is the subject of a guarantee or indemnity by the Company or its subsidiaries;

19.2.3 outstanding amounts raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

19.2.4 the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

19.2.5 the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and

19.2.6 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

19.2.7 for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

19.2.8 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

19.3 A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Articles 19.1 to 19.2 be owing by the Company and its subsidiaries shall be conclusive in favour of the Company and all persons dealing with the Company.

19.4 When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 19 on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

19.4.1 at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this



purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or

19.4.2 to the extent that the repayment of such moneys is specifically covered by a forward purchase contract at the rate of exchange specified therein.

19.5 No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 19 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

## 20. DIRECTORS

20.1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and not more than seven.

20.2 A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.

20.3 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly.

## 21. "A" DIRECTOR

The holders of 75 per cent. in nominal amount of the "A" Ordinary Shares shall be entitled to appoint and remove a Director of the Company ("A" Director), and the "A" Director shall be entitled to receive an annual fee of £15,000 plus VAT payable quarterly in arrears in respect of such appointment together with all expenses incurred by him in connection with his appointment as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office or by service upon any other Director for the time being of the Company.

## 22. BOARD MEETINGS

Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least three clear working days notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director. All Board Meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for all board meetings shall be two Directors one of whom shall be the "A"

Director unless the consent in writing is obtained of the "A" Director for the meeting to be held in his absence.

JSW\$14\$0.47.1s  
3rd December 1990

COMPANIES ACTS 1948 TO 1989

COMPANY LIMITED BY SHARES

S.G. INDUSTRIES LIMITED



On the 23rd day of December 1991 the following Resolution was passed as a Special Resolution of the Company:-

THAT:-

- (A) The authorised share capital of the Company be and is hereby increased from £9,264,926 to £9,461,940.14 by the creation of an additional 7,999,920 "A" Ordinary Shares of 1p each, and 119,403 Senior Convertible Redeemable Preference Shares of 98p each having attached thereto the rights and privileges and being subject to the limitations and restrictions set forth in the Articles of Association of the Company to be adopted pursuant to paragraph (E) of this resolution.
- (B) The authorised but unissued 4,607,463 10% Preference Shares of £1 each be and are hereby redesignated 4,701,492 Senior Convertible Redeemable Preference Shares of 98p and 84 "A" Ordinary Shares of 1p each and the authorised but unissued 200,000 Ordinary Shares of 1p be and are hereby redesignated 200,000 "A" Ordinary Shares of 1p in both cases each having attached thereto the rights and privileges and being subject to the limitations and restrictions set forth in the Articles of Association of the Company to be adopted pursuant to paragraph (E) of this resolution.
- (C) For the purposes of Section 80 of the Companies Act 1985 and so that expressions used in this resolution shall bear the same meanings as in the said section the directors of the Company be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot and make offers or agreements to allot relevant securities out of the unissued shares in the capital of the Company immediately following the passing of this resolution and to a maximum amount of 10,000,000 "A" Ordinary Shares of 1p each, and 4,820,895

Senior Convertible Redeemable Preference Shares of 98p each to such persons at such times and on such terms as they think proper provided that this authority shall expire unless previously renewed, varied or revoked by the Company in general meeting on 31st December 1992.

- (D) Notwithstanding any provision to the contrary contained in the Company's Articles of Association the directors from time to time of the Company be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94(2) of the Companies Act 1985) of the Company pursuant to the authority conferred by paragraph (C) of this resolution as if Section 89(1) and 90(1) to (6) of the Companies Act 1985 did not apply to such allotment provided that this power shall expire on 31st December 1992, AND PROVIDED THAT this power shall be limited to:-
- (i) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of "A" Ordinary Shares made in proportion (as nearly as may be) to their existing holdings of "A" Ordinary Shares other than in respect of those "A" Ordinary Shareholders who may have waived their rights in relation to any particular issue) but subject to the directors having a right to make such exclusions or other arrangements in connection with such offering as they deem necessary or expedient:-
    - (a) to deal with equity securities representing fractional entitlements; and
    - (b) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
  - (ii) the allotment for cash of up to 342,616 "A" Ordinary Shares to Legal and General Assurance Society Limited and up to 15,594 "A" Ordinary Shares to Daytonian Limited;
- (E) New Articles of Association in the form of the draft produced to the meeting and initialled by the Chairman for the purposes of identification be and are hereby adopted as new Articles of Association

of the Company in replacement of and in substitution for the existing  
Articles of Association of the Company.

Dated: 3,1 January 1992

A handwritten signature in dark ink, appearing to be 'R.F. Atkins', written over a horizontal dotted line.

R.F. Atkins  
Secretary

JSW\$01\$2.01-mm

3 January 1992

THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION  
OF  
S G INDUSTRIES LIMITED  
Incorporated the 26th day of August 1988

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ADOPTED BY SPECIAL RESOLUTION  
Passed on 23rd December 1991

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Clifford Chance  
Royex House,  
Aldermanbury Square,  
London  
EC2V 7LD

REF: JZB/JSW/P1012/00251



JZB\$19\$1.48-tjj

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Company No: 2290541

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

S G INDUSTRIES LIMITED

(as adopted by a Special Resolution passed  
on 23rd December 1991)

1. PRELIMINARY AND DEFINITIONS

The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985
"Director"	a director for the time being of the Company
"A Ordinary Share"	an "A" Ordinary Share of 1p in the capital of the Company as hereinafter provided
"A Ordinary Shareholder"	a holder for the time being of "A" Ordinary Shares
"Ordinary Share"	an Ordinary Share of 1p in the capital of the Company as hereinafter provided
"Ordinary Shareholder"	a holder for the time being of Ordinary Shares
"Senior Preference Share"	a convertible redeemable preference share of 98p in the capital of the Company as hereinafter provided
"Senior Preference Shareholder"	a holder for the time being of Senior Preference Shares
"Junior Preference Share"	a 10% Preference Share of £1 in the capital of the Company as hereinafter provided
"Junior Preference Shareholder"	a holder for the time being of Junior Preference Shares



"Sale or Listing"

If:

(a) all or part of the share capital of the Company is admitted to the Official List of The International Stock Exchange of the United Kingdom and the Republic of Ireland or dealings therein commence on the Unlisted Securities Market, or

(b) the whole or substantially the whole of the undertaking of the Company is disposed of; or

(c) the occurrence of a change of control as defined in Article 14 with the substitution of 50% for 30% where it appears

"Shares"

any shares for the time being in the capital of the Company

"Shareholder"

a holder for the time being of any Shares

"Shareholder-related Contract"

any contract, agreement, arrangement or transaction including (without limitation) any such matter entered into for employment or the provision of services made between any Ordinary Shareholder or person who in relation to such Ordinary Shareholder is a Connected Person and the Company or any subsidiary of the Company or any holding Company of the Company or any subsidiary of any such holding company

"Table A"

Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended)

"Connected Person"

as defined by Section 533 Income and Corporation Taxes Act 1970

"Shareholders Agreement"

the agreement dated 6th January 1989 made between (1) the Company (2) E.W. Boss and (3) Phildrew Nominees Limited relating inter alia to the subscription for Shares

"Co-Investment Scheme"

a scheme operated by a financial institution whereby certain employees or representatives of that institution are entitled (as individuals or through a company or any other vehicle), inter alia, to

acquire shares which that institution would otherwise acquire

Words and expressions defined in the Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.

2. TABLE A

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 64, 73-77 inclusive, 80 and 87 of Table A shall not apply, but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

3. PRIVATE COMPANY

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

4. SHARE CAPITAL

The share capital of the Company at the date of adoption of these Articles is £9,461,940.14 divided into 4,820,895 Senior Preference Shares, 4,607,463 Junior Preference Shares, 300,000 Ordinary Shares and 12,700,004 "A" Ordinary Shares.

5. ORDINARY SHARES, "A" ORDINARY SHARES AND "B" ORDINARY SHARES

5.1. Ordinary and "A" Ordinary Shares to rank as one class

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares and the Ordinary Shares shall rank pari passu but shall subject as provided in Article 10 hereof constitute two separate classes of shares.

5.2. Any "A" ordinary shareholder may at any time convert such or all of his "A" ordinary shares into "B" Ordinary Shares of an equivalent par value (credited with the same premium (if any) which is credited to such "A" Ordinary Shares) ("B" Ordinary Shares) by serving a Notice in Writing on the Company at its registered office or upon any director if such conversion is necessary to prevent any infringement or violation by such "A" Ordinary Shareholder of any law or regulation requiring that the amount of shares held does not exceed any limit imposed by such law or regulation. Save as otherwise specifically provided in Article 5.3 "A" Ordinary and "B" Ordinary shares shall rank pari passu in all respects and all references to "A" Ordinary Shares and "A" Ordinary Shareholders shall be deemed to include reference to "B" Ordinary Shares and "B" Ordinary Shareholders respectively.

5.3. "B" ordinary shares shall not entitle "B" Ordinary Shareholders to exercise any votes at any General Meeting of the Company and the provisions of Article 11 shall be read accordingly. References in Articles 8 and 22 shall not be deemed to include a reference to "B" Ordinary Shares and "B" Ordinary Shareholders.

6. RIGHTS OF THE SENIOR PREFERENCE SHARES

6.1. As Regards Income

6.1.1. The Senior Preference Shares shall not confer on the holders thereof the right to receive any income unless they have not been redeemed or converted pursuant to Articles 6.5 and 6.6 prior to 31st December 1996 when they shall be entitled to receive in priority to the transfer of any sum to reserves or the rights of the holders of any other class of shares in the capital of the Company and payable without any resolution of the Directors or of the Com any a fixed cumulative preferential dividend ("Senior Preference Dividend") at the rate of 12 per cent. per annum gross on the nominal amount of the capital for the time being paid up thereon in respect of periods commencing on or after 1st January 1996. The Senior Preference Dividend shall accrue from day to day and be paid annually on 31st December in each year in respect of the 12 months ending on that date out of the profits of the Company available for distribution. Any amount not so paid shall be carried forward and be payable in priority to the Senior Preference Dividend payable on any later date.

6.1.2. The rate at which the Senior Preference Dividend is payable shall be at a rate per annum compounded with rests on the due dates for payment thereof and the amount payable in respect of an overdue dividend shall be increased accordingly.

6.2. As Regards Capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the Shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company in paying to the Senior Preference Shareholders the Redemption Monies as set out in Article 6.5 below and in paying any unpaid Senior Preference Dividend.

6.3. Further Participation

The Senior Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

6.4. As Regards Voting

The Senior Preference Shareholders shall be entitled to receive notice of and to attend and speak but not to vote at all General Meetings of the Company unless the Company shall not have paid the Senior Preference Dividend on a due date for payment or shall have failed to make lawful payment of the redemption monies due on a redemption of the Senior Preference Shares when the Senior Preference Shareholders shall be entitled to receive notice of, to attend and until payment or redemption to vote at any General Meeting of the Company and on a show of hands each Senior Preference Shareholder present in person or by proxy shall have one vote and on a poll shall have one vote for every Senior Preference Share of which he is the holder.

6.5. As Regards Redemption

6.5.1. the Company shall subject to Article 6.6 redeem the whole of the Senior Preference Shares immediately prior to a Sale or Listing, whichever is earlier, for the amount in cash set out in Column (B) and

applicable at the relevant date set out in Column (A) below, and if the Redemption Date falls between any two of the dates set out in Column (A) the amount payable shall be the amount payable on the previous date plus such proportion of the incremental amount payable on the next such date as is represented by the number of days elapsed since the previous date:-

(A) <u>For a Redemption Date</u>	(B) <u>(£)</u>
Upon issue of the Senior Preference Shares	4,724,480
on 31st December 1991	7,086,715
on 31st December 1992	10,630,073
on 31st December 1993	24,088,409
on 31st December 1994	40,719,530
on 31st December 1995	44,849,932

the amount so payable is referred to as the "Redemption Monies".

6.5.2. the Redemption Date shall be the date immediately prior to such Sale or Listing as appropriate and any failure to do any act by a Senior Preference Shareholder shall not prejudice due and proper redemption hereunder.

6.5.3. subject to Article 6.6 upon the Redemption Date the Redemption Monies shall become a debt due and payable by the Company to the relevant Senior Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the Redemption Monies to the appropriate shareholder together with any amounts due in respect of the Senior Preference Dividend.

6.5.4. on redemption the Company shall cancel the share certificate of the shareholder concerned.

#### 6.6. Conversion of Senior Preference Shares

If the Directors with the consent of the "A" Director shall so determine instead of redeeming the Senior Preference Shares the Company may immediately prior to a Sale or Listing redesignate or sub-divide the Senior Preference Shares into such number and such class of Share which on a Listing would have a market value at the offer for sale or placing price equal to the Redemption Monies or on a Sale would have a right in priority to any other class of Shares to receive the Redemption Monies. For the avoidance of doubt any unpaid Senior Preference Dividend shall be payable in cash.

#### 6.7. Matters Requiring Consent of Senior Preference Shareholders

So long as any Senior Preference Shares shall remain outstanding and except with such consent or sanction on the part of the Senior Preference Shareholders as is required for a variation of the special rights attached to such shares:

6.7.1. the Company shall not modify or vary the rights attaching to the "A" Ordinary Shares or Ordinary Shares or the terms of the Senior Preference Shares or Junior Preference Shares;

6.7.2. the Company shall not pass any resolution for reducing the "A" Ordinary Shares or Ordinary Shares or save for the purpose of redeeming the Senior Preference Shares or the Junior Preference Shares the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner or reduce any uncalled liability in respect of partly paid shares;

6.7.3. the Company shall not make any distribution, payment or return to Shareholders (other than in respect of the Junior Preference Shares or Senior Preference Shares) of a capital nature;

6.7.4. the Company shall not issue any further shares ranking as regarding participation in the profits or assets of the Company in priority to or pari passu with the Senior Preference Shares;

6.7.5. the Company shall not permit any subsidiary to issue (other than to the Company) or another wholly owned subsidiary of the Company any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital nor shall any disposal be made by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid);

6.7.6. the Company shall not capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve.

## 7. RIGHTS OF THE JUNIOR PREFERENCE SHARES

### 7.1. As Regards Income

7.1.1. The Junior Preference Shares shall confer on the holders thereof the right to receive in priority to the transfer of any sum to reserves or rights of the holders of any other class of shares in the capital of the Company other than the Senior Preference Shares and payable without any resolution of the Directors or of the Company a fixed preferential dividend ("Junior Preference Dividend") at the following rate per annum gross in respect of the periods set out below:

<u>Rate per annum</u>	<u>Period</u>
10 per cent	from 10th December 1990 to 31st March 1994
12.5 per cent	from 1st April 1994 and thereafter

on the nominal amount of the capital for the time being paid up thereon. The Junior Preference Dividend shall accrue from day to day and be paid annually on 31st March in each year in respect of the twelve months ending on that date out of the profits of the Company available for distribution provided that the first payment shall be due and payable on 31st March 1994 and shall be calculated in respect of the period from 10th December 1990 up to and including 31st March 1994.

Any amount not so paid shall be carried forward and be payable in priority to the Junior Preference Dividend payable on any later date.

7.1.2. the rate at which the Junior Preference Dividend is payable shall be a rate per annum compounded with rests on the due dates for payment thereof and the amount payable in respect of an overdue dividend shall be increased accordingly.

7.1.3. the amount of the accrued Junior Preference Dividend due and payable on 31st March 1994 shall be capitalised as at 31st March 1994 and applied in the issue to Junior Preference Shareholders pro rata their existing holdings of Junior Preference Shares of new Junior Preference Shares of £1 each credited as fully paid.

## 7.2. As Regards Capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the Shareholders shall be applied, after payment of the Redemption Monies to the Senior Preference Shareholders in priority to any payment to the holders of any other class of shares in the capital of the Company in paying to the Junior Preference Shareholders:

- (i) first, the nominal amounts paid up on the Junior Preference shares held by them; and
- (ii) secondly, a sum equal to any arrears or deficiency of the Junior Preference Dividend to be calculated down to the date of return of capital and to be payable irrespective of whether or not such dividend has been declared or earned.

## 7.3. Further Participation

The Junior Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

## 7.4. As Regards Voting

Junior Preference Shareholders shall be entitled to receive notice of and to attend and speak but not to vote at all General Meetings of the Company unless the Company shall not have paid the Junior Preference Dividend on a due date for payment or shall have failed to make lawful payment of the redemption monies due on a redemption of the Junior Preference Shares when the Junior Preference Shareholders shall be entitled to receive notice of, to attend and until payment or redemption to vote at any General Meeting of the Company and on a show of hands each Junior Preference Shareholder present in person or by proxy shall have one vote and on a poll shall have one vote for every Junior Preference Share of which he is the holder.

## 7.5. As Regards Redemption

Provided that the Company has first redeemed the Senior Preference Shares.

7.5.1. the Company shall (provided always that the Directors of the Company reasonably believe that the Junior Preference Shares may be redeemed without the Company going into insolvent liquidation within 12 months of the date of such redemption) redeem the whole of the Junior Preference Shares for cash at par immediately prior to a Sale or Listing or on 31st December 1998 whichever is earlier.

7.5.2. the Redemption Date shall be the date immediately prior to such Sale or Listing or 31st December 1998 as appropriate and any failure to do any act by a Junior Preference Shareholder shall not prejudice due and proper redemption hereunder.

7.5.3. upon the Redemption Date the nominal value of the Junior Preference Shares to be redeemed and any Junior Preference Dividend due thereon ("the redemption monies") shall become a debt due and payable by the Company to the relevant Junior Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the redemption monies to the appropriate shareholder.

7.5.4. on redemption the Company shall cancel the share certificate of the shareholder concerned.

7.5.5. As from the Redemption Date the Junior Preference Dividend shall cease to accrue on any shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the redemption monies in which case the Junior Preference Dividend shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment.

7.5.6. For the purpose of Clause 7.5.1 above the Company may and shall, whenever so required by any of the Junior Preference Shareholders procure a report or opinion of the Company's auditors or (if it is in liquidation) by its liquidator as to whether or not the Company would be likely to go into insolvent liquidation within 12 months of the Redemption Date if the Junior Preference Shares were to be redeemed on the Redemption Date.

#### 7.6. Matters Requiring Consent of Junior Preference Shareholders

So long as any Junior Preference Shares shall remain outstanding and except with such consent or sanction on the part of the Junior Preference Shareholders as is required for a variation of the special rights attached to such shares:

7.6.1. the Company shall not modify or vary the rights attaching to the "A" Ordinary Shares or Ordinary Shares or the terms of the Junior Preference Shares;

7.6.2. the Company shall not pass any resolution for reducing the "A" Ordinary Shares or Ordinary Shares or save for the purpose of redeeming the Junior Preference Shares and the Senior Preference Shares the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner or reduce any uncalled liability in respect of partly paid shares;

7.6.3. the Company shall not make any distribution, payment or return to Shareholders (other than in respect of the Junior Preference Shares and the Senior Preference Shares) of a capital nature;

7.6.4. the Company shall not issue any further shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Junior Preference Shares;

7.6.5. the Company shall not permit any subsidiary to issue (other than to the Company) or another wholly owned subsidiary of the Company any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital nor shall any disposal be made by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid);

7.6.6. the Company shall not capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve.

8. MATTERS REQUIRING CONSENT OF "A" ORDINARY SHAREHOLDERS AND "A" DIRECTOR

8.1. In addition to any other authority required in law the following matters all require to be authorised by the holders of a majority of the "A" Ordinary Shares in general meeting or in writing and provided that in the event of any conflict between any of the provisions of this Article and the provisions of any other Article the provisions of this Article shall prevail:-

8.1.1. the sale lease transfer or other disposition in any financial year of the Company of the whole or any significant part of the undertaking of the Company or the sale or other disposal of a subsidiary the net assets of which represent more than 25 per cent. of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown by the latest available consolidated audited balance sheet of the Company and its subsidiaries (adjusted as appropriate to reflect any deterioration since the balance sheet date if any Director so requires and he shall so require if he has any reason to believe the net tangible assets have decreased since such date) or if no such balance sheet is available then assets representing £5,000,000. Provided that for the purposes of this Article all disposals in any financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required from the "A" Ordinary Shareholders;

8.1.2. any action is commenced to wind up or dissolve the Company or any subsidiary;

8.1.3. the alteration of the accounting reference date of the Company or any subsidiary;

8.1.4. any variation in the authorised or issued share or loan capital or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary;

8.1.5. any capital expenditure by the Company and its subsidiaries in excess of the following agreed aggregate annual limits

For the financial year ended 31st December 1991	£1.1 million
For the financial year ended 31st December 1992	£2.1 million
For the financial year ended 31st December 1993	£2.2 million



8.1.6. any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

8.1.7. any alteration to the Memorandum or Articles of Association of the Company or any subsidiary;

8.1.8. the declaration or distribution of any dividend or other payment out of the distributable profits of the Company other than the minimum dividend payable pursuant to Article 8 and the Preference Dividend payable pursuant to Article 6;

8.2. In addition to any authority received in law and by the foregoing Article, the following matters require to be authorised by the "A" Director:-

8.2.1. the creation of any one or more mortgages charges or encumbrances on any asset of the Company or its subsidiaries to secure an amount or amounts aggregating or exceeding in any one financial year of the Company £25,000 or the giving by the Company or its subsidiaries of any guarantee for such an amount or amounts;

8.2.2. the creation of or any amendment to any Shareholder-related Contract or any variation of the remuneration or other benefits payable thereunder or the making by the Company or any subsidiary of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;

8.2.3. entering into by the Company and its subsidiaries of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceed or are likely to exceed £60,000 per annum or the entering into by the Company and its subsidiaries of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £100,000 in any year;

8.2.4. the appointment of any director to the Board of the Company;

8.2.5. the appointment of any auditors of the Company or any Subsidiary;

8.2.6. the incorporation of a new subsidiary or the purchase of any shares in any Company;

8.2.7. the sale, lease, transfer or other disposition by the Company or its subsidiaries in any financial year of the Company of assets representing more than £500,000.

8.3. In addition the "A" Director must be consulted prior to the sale lease transfer or other disposition in any financial year by the Company or its subsidiaries of the Company of assets representing more than £50,000.

## 9. MINIMUM DIVIDEND

9.1. Subject to the payment of the Preference Dividend the "A" Ordinary Shareholders and the Ordinary Shareholders shall be entitled in respect of the financial year ending on 31st December 1996 and in respect of each financial year of the Company ending thereafter to a dividend (the "Minimum Dividend") of a cash sum (net of any associated tax credit) equal to 50 per cent. of the net profits (as hereinafter defined) of the Company and its

subsidiaries for the relevant financial year; the Minimum Dividend (if any) shall be paid not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial year are adopted such Annual General Meeting to be held no later than three months after the end of each financial period and shall be distributed amongst the "A" Ordinary Shareholders and the Ordinary Shareholders pro rata according to the nominal amount (but excluding any premium) paid up or credited as paid up on the "A" Ordinary Shares and Ordinary Shares held by them respectively.

9.2. For the purpose of calculating the Minimum Dividend the expression "net profits" shall mean the net profits of the Company and its subsidiaries available for distribution as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserves other than in respect of the Junior Preference Shares and the Senior Preference Shares.

9.3. Subject to payment of the Minimum Dividend any further profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the Shareholders according to the amounts paid up or credited as paid up on the Shares (excluding any premium) and in accordance with the rights attaching to such Shares held by them respectively.

#### 10. ISSUES OF SHARES

10.1. Subject to these Articles and save as provided in Article 9.2 the pre-emption provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) of Section 90 of the Act shall apply to any allotment of the Company's equity securities Provided that for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class and the period specified in Section 90(6) of the Act shall be 60 days and Provided further that the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares.

10.2. Save with the consent of the holders of 75 per cent. in nominal value of the "A" Ordinary Shares no person shall be entitled to be entered on the Register of Members of the Company unless such person shall have first entered into an agreement with the Company as agent of and trustee for all the Shareholders to be bound by terms and conditions of the Shareholders Agreement.

#### 11. VOTES

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company.

## 12. PERMITTED TRANSFERS

12.1. The Directors shall not register any transfer of Shares in the Company save in the circumstances permitted by Articles 11, 12, 13, 14 and save as provided in the subsequent provisions of this Article the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the provisions of Articles 12, 13, 14 and 15

12.2. Without prejudice to Regulation 5 of Table A, any share held by a Shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that Shareholder only ("Beneficial Shareholder") PROVIDED THAT the provisions of this Article and Articles 13, 14, 15 and 16 shall apply to any Share so transferred as if it were still held by the Beneficial Shareholder.

12.3.1. Any share held by a nominee of or a trustee for a beneficial shareholder may, provided always that the requirements of Article 12.3.2. are satisfied, be transferred to such beneficial shareholder or subject to the proviso in Article 12.2 to any other nominee of or trustee for such beneficial shareholder only.

12.3.2. Where a share is to be held as nominee of or transferee for another, the intending nominee or transferee must prior to the issue or transfer of such share to the nominee or transferee disclose to the company that he is to hold such share or shares as nominee of or transferee for a beneficial shareholder. A nominee or transferee failing to make such prior disclosure shall not be entitled to transfer any share or shares subsequently held by him as nominee or transferee to the beneficial shareholder.

12.4. Any Shareholder which is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company PROVIDED ALWAYS THAT the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled directly or indirectly by such ultimate parent company immediately prior to it so ceasing such Shares shall be transferred to another body corporate so controlled.

12.5. Any Share may be transferred at any time by a Shareholder to any other person with the consent of all the holders of ninety five per cent. of the issued Ordinary and "A" Ordinary Shares for the time being of the Company.

12.6. Any Shareholder who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such shareholder and/or relatives of such shareholder and of which the said shareholder is a settlor Provided always that the Trustees give an undertaking to the Company that, in the event of the death of the relevant Shareholder or the relevant Shareholder ceasing to be employed by or a Director of the Company or any subsidiary a Sale Notice pursuant to Article 15.1 in respect of such Shares shall be deemed to have been served by the Trustees.

12.7. Any Shares which are held by an Investment Trust Company (as defined for the purposes of the Rules of The Stock Exchange in London) whose shares are listed on The Stock Exchange in London may be transferred to another such Investment Trust Company:-

(a) whose shares are also so listed; and

- (b) which is managed by the same Management Company as the transferor or by a holding company of such Management Company or any subsidiary company of such holding company.

Provided always that such transferee gives an undertaking to the Company that in the event of the Investment Trust Company ceasing to satisfy requirements (a) and (b), such Shares shall be transferred back to the transferor.

12.8. Any Shares may be transferred between nominees or Custodian Trustees acting on behalf of Trustees of a superannuation fund which is an exempt approved scheme or treated as an exempt approved scheme by the Commissioners of Inland Revenue for the purposes of Chapter II of Part II of the Finance Act 1970 provided that the transferee gives an undertaking to the Company that upon the criteria set out in this sub-clause ceasing to be fulfilled such Shares shall be transferred back to the transferor.

12.9. In the case of Legal & General Assurance Society Limited it may transfer shares of the Company or the beneficial interest therein to any unit trust which is managed by Legal & General Group PLC or a subsidiary of Legal & General Group PLC and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by Legal & General Group PLC or any subsidiary as aforesaid it will forthwith re-transfer the shares in question to Legal & General Group PLC or any subsidiary as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 13.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of Legal & General Group PLC or any subsidiary thereof, that is to say persons or funds to whom Legal & General Group PLC or any subsidiary thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

12.10. Any Shareholder which subscribes for "A" Ordinary Shares or Senior Preference Shares prior to 1st February 1992 and which is a Co-Investment Scheme may transfer any shares so subscribed to the financial institution whose employees or representatives are beneficiaries of that scheme provided such transfer takes place prior to 1st August 1992.

### 13. TRANSFER BY "A" ORDINARY SHAREHOLDERS

13.1. Any "A" Ordinary Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the "A" Ordinary Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the "A" Ordinary Shares which the Retiring Shareholder wishes to sell (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 13.6) ("Market Value").

13.2. On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other "A" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market

Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

13.3. If the Company shall not have found "A" Ordinary Shareholders willing to purchase all of the Sale Shares pursuant to Article 13.2 the Company shall forthwith offer the Sale Shares not so accepted to the Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares. Such offer shall to the extent that it is not accepted within 42 days of the receipt of the Sale Notice by the Company be deemed to be declined.

13.4. If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Articles 13.2 and 13.3 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

13.4.1. the price for the Sale Shares is to be Market Value determined in accordance with this Article and

13.4.2. subject to the proviso contained in Article 14 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 13.6. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

13.4.3. if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 13.4.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 13.4.2.

13.5. If the Company shall not find purchasing Shareholder(s) pursuant to Articles 13.2 and 13.3 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 13.4 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholder or in respect of which the sale was not completed as aforesaid or (in any case where the Sale Notice stated that the Retiring Shareholder required to sell all and not part only of the Sale Shares) all of the Sale Shares to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no

Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 13 shall apply to such further Sale Notice save that Market Value shall be deemed to be much lower price.

13.6. The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties and shall be calculated as if the Sale Shares were sold at the same time and on the same terms as the remainder of the issued share capital of the Company and for a direct proportion of the sale price thus obtained assuming:-

- (a) willing sellers and a willing purchaser for all such shares; and
- (b) that the "A" Ordinary Shares and the Ordinary Shares form one class.

13.7. In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholder as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholder shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

13.8. The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

13.9. Any Retiring Shareholder shall be entitled to specify in the Sale Notice that it is a condition of the sale of the Sale Shares that the purchasing shareholder also purchases from the Retiring Shareholder such number of the Junior Preference Shares and Senior Preference Shares held by the Retiring Shareholder as shall be proportionate to the number of "A" Ordinary Shares being purchased by the Purchasing Shareholder from the Retiring Shareholder. Such Junior Preference Shares and Senior Preference

Shares shall be sold and purchased at Market Value in accordance with the provisions of Articles 17.5 to 17.7.

14. TRANSFERS BY ORDINARY SHAREHOLDERS

14.1. Save as provided in Article 11 the Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

14.2. In this Article:

14.2.1. "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

14.2.2. "Market Value" shall have the meaning ascribed thereto in Article 13.

14.3. Any Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares held by him ("Retiring Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares which the Retiring Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares") which notice shall constitute the company the agent of the Retiring Ordinary Shareholder for the sale of the Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.

14.4. On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares at Market Value to the Qualifying Purchasers.

14.5. If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is/are found for the whole or part of the Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall be completed within seven days of the determination of the Market Value thereof.

14.6. If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares pursuant to Article 14.5 or at any time if so determined in writing by the "A" Director then:

14.6.1. at such time the Retiring Ordinary Shareholder shall be deemed to have served a Sale Notice in respect of such of the Ordinary Sale Shares as remain unsold; and

14.6.2. the Company shall forthwith offer the Sale Shares at Market Value firstly to all the other Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares. Such offer shall to the extent that the same is not accepted within 14 days of receipt by the Company of the Sale Notice be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares such offer shall to the

extent that it is not accepted within 21 days of receipt by the Company of the Sale Notice be deemed to be declined.

14.7. If the Company shall not have found purchasers for all of the Ordinary Sale Shares pursuant to Articles 14.5 and 14.6 the Company shall forthwith offer the Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of the receipt by the Company of the Sale Notice be deemed to be declined and any remaining Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of such shares such offer shall to the extent that it is not accepted within 42 days of the receipt by the Company of the Sale Notice be deemed to be declined.

14.8. Subject to Article 15 the provisions of Article 13 shall apply mutatis mutandis to such offer for sale.

#### 15. DEEMED TRANSFER NOTICE

15.1. In any case where prior to a Sale or Listing a Shareholder (other than an "A" Director) ceases (for whatever reason) to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as either a director or employee of the Company or of that subsidiary, as the case may be) he shall be deemed to have served a Sale Notice pursuant to Article 14 above in respect of his entire holding of Ordinary Shares (including any shares held for him pursuant to Article 12) and the provisions of Article 14 shall apply in relation thereto save that a Sale Notice deemed to be given by such director or employee in the circumstances herein referred to shall not be capable of revocation; and in respect of Ordinary Shares held by E.W. Boss or by his permitted transferee this Article 14 shall not apply in the event that he is unfairly or wrongfully dismissed or if he dies.

#### 16. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary or "A" Ordinary Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and registered in a person whether or not then a member of the Company obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety per cent. the issued Ordinary and "A" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary and "A" Ordinary Shares at the Specified Price (as hereinafter defined) and the Junior Preference Shares at par plus an amount equal to any arrears and accruals of the Junior Preference Dividend and the Senior Preference Shares at an amount equal to the Redemption Monies which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)



Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Articles 13, 14 and 15.

16.1. For the purpose of this Article

16.1.1. the expression "a controlling interest" shall mean shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings

16.1.2. the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and

16.1.3. the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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.

17. TRANSFERS OF JUNIOR PREFERENCE SHARES AND SENIOR PREFERENCE SHARES

17.1. Any Junior Preference Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the Junior Preference Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the Preference Shares which the Retiring Shareholder wishes to sell and shall include such proportionate amount of "A" Ordinary Shares that such Shareholder holds as the number of Junior Preference Shares specified bears to the total number of Junior Preference Shares held by such Shareholder (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 16.6) ("Market Value").

17.2. On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other Junior Preference Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Junior Preference Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Junior Preference Shareholders who have accepted Sale Shares and if there be more than one such Junior Preference Shareholder in proportion as nearly as may be to their existing holdings of Junior Preference Shares in

the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

17.3. If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Article 17.2 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

17.3.1. the price for the Sale Shares is to be Market Value determined in accordance with this Article and

17.3.2. the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 17.5. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

17.3.3. if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 17.3.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 17.3.2.

17.4. If the Company shall not find purchasing Shareholder(s) pursuant to Article 17.2 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 17.3 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholders or in respect of which the sale was not completed as aforesaid to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 16 shall apply to such further Sale Notice save that Market Value shall be deemed to be the lower price.

17.5. The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties.

17.6. In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholders as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholders shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

17.7. The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

17.8. The provisions of this Article 17 shall apply mutatis mutandis to the Senior Preference Shares.

#### 18. ADJOURNED MEETINGS

18.1. If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder present shall form a quorum and Regulations 41 of Table A shall be modified accordingly.

18.2. It shall not be necessary to give any notice of an adjourned meeting and Regulations 45 of Table A shall be modified accordingly.

#### 19. POLLS

A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 53 of Table A shall be modified accordingly.

#### 20. DIRECTORS' BORROWING POWERS

20.1. Subject to Article 8 hereof the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party PROVIDED THAT the Directors shall procure that the aggregate of the amounts for the time being remaining undischarged or owing by the Company and its subsidiaries by way of borrowed monies (but excluding any inter-company loans, mortgages and charges) and any Loan Notes issued by the Company pursuant to the Shareholders Agreement and including any amounts payable under leases or hire purchase commitments shall not exceed £66,000,000.

20.2. For the purposes of this Article "borrowed monies" shall be deemed to include the following except in so far as otherwise taken into account:-

20.2.1. the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries from any bank, acceptance house, financial institution or any other person whatsoever, whether by way of overdraft, loan, acceptance credit or otherwise howsoever;

20.2.2. any sums of money the repayment whereof by a person other than the Company or any subsidiary is the subject of a guarantee or indemnity by the Company or its subsidiaries;

20.2.3. outstanding amounts raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

20.2.4. the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

20.2.5. the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and

20.2.6. any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

20.2.7. for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

20.2.8. borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

20.3. A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Articles 20.1 to 20.2 be owing by the Company and its subsidiaries shall be conclusive in favour of the Company and all persons dealing with the Company.

20.4. When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 20 on any particular day is being ascertained, any of such monies denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

20.4.1. at the rate of exchange prevailing on that day in London provided that all but not some only of such monies shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this

purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or

20.4.2. to the extent that the repayment of such monies is specifically covered by a forward purchase contract at the rate of exchange specified therein.

20.5. No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 20 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

## 21. DIRECTORS

21.1. Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and not more than seven.

21.2. A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.

21.3. The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly.

## 22. "A" DIRECTOR

The holders of 10 per cent. in nominal amount of the "A" Ordinary Shares shall be entitled to appoint and remove a Director of the Company ("A" Director), and the "A" Director shall be entitled to receive an annual fee of £15,000 plus VAT payable quarterly in arrears in respect of such appointment together with all expenses incurred by him in connection with his appointment as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office or by service upon any other Director for the time being of the Company.

## 23. BOARD MEETINGS

Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least three clear working days notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director. All Board Meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for all board meetings shall be two Directors one of whom shall be the "A"

Director unless the consent in writing is obtained of the "A" Director for the meeting to be held in his absence.

JZB\$19\$1.48-tjj

**G**

COMPANIES FORM No. 123

**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block letteringTo the Registrar of Companies  
(Address overleaf)

For official use

Company number

--	--	--	--

2090541
---------

Name of company

\* Insert full name  
of company

* S G INDUSTRIES LIMITED
--------------------------

‡ the copy must be  
printed or in some  
other form approved  
by the registrar

gives notice in accordance with section 123 of the above Act that by resolution of the company  
dated 23rd December 1991 the nominal capital of the company has been  
increased by £ 197 014 - 14 beyond the registered capital of £ 9264 926

A copy of the resolution authorising the increase is <sup>was</sup> ~~attached~~ <sup>forwarded</sup> on 3rd January 1992

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new  
shares have been or are to be issued are ~~as follows~~: Set out in the new Articles of  
Association adopted by the Company on 23rd December 1991.

Please tick here if  
continued overleaf

--

‡ Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed



Designation‡

Director -  
SECRETARY

Date 2nd March 1992

Presentor's name address and  
reference (if any):

DWCLIFF  
ASSISTANT COMPANY SECRETARY  
SG INDUSTRIES LIMITED  
11 MULBERRY BOWEN PARK  
FISH POND'S ROAD  
WALSLEY PARK BRIDGE RG11 2AN

For official Use  
General Section

Post room

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2292541

THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

S G INDUSTRIES LIMITED

Incorporated the 26th day of August 1988

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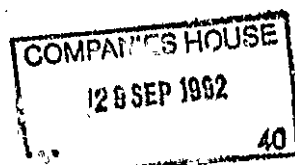
ADOPTED BY SPECIAL RESOLUTION  
Passed on 23rd December 1991\*

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(\* As amended by Special Resolution  
passed on 2nd September 1992)

Clifford Chance  
200 Aldersgate Street  
London  
EC1A 4JJ

REF: JZB/PTM/S2524/00149



JZB\$19\$1.48/jph



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THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

S G INDUSTRIES LIMITED

(as adopted by a Special Resolution passed  
on 23rd December 1991 and amended by a  
Special Resolution passed on 2nd September 1992)

1. PRELIMINARY AND DEFINITIONS

The headings shall not affect the construction hereof and in the interpretation of these Articles unless there be something in the subject or context inconsistent therewith the following words and expressions shall bear the meanings set opposite them:-

"the Act"	the Companies Act 1985
"Director"	a director for the time being of the Company
"A" Ordinary Share"	an "A" Ordinary Share of 1p in the capital of the Company as hereinafter provided
"A" Ordinary Shareholder"	a holder for the time being of "A" Ordinary Shares
"Ordinary Share"	an Ordinary Share of 1p in the capital of the Company as hereinafter provided
"Ordinary Shareholder"	a holder for the time being of Ordinary Shares
"Senior Preference Share"	a convertible redeemable preference share of 98p in the capital of the Company as hereinafter provided
"Senior Preference Shareholder"	a holder for the time being of Senior Preference Shares

"Junior Preference Share"	a 10% Preference Share of £1 in the capital of the Company as hereinafter provided
"Junior Preference Shareholder"	a holder for the time being of Junior Preference Shares
"Sale or Listing"	<p>If:</p> <p>(a) all or part of the share capital of the Company is admitted to the Official List of The International Stock Exchange of the United Kingdom and the Republic of Ireland or dealings therein commence on the Unlisted Securities Market, or</p> <p>(b) the whole or substantially the whole of the undertaking of the Company is disposed of; or</p> <p>(c) the occurrence of a change of control as defined in Article 14 with the substitution of 50% for 30% where it appears</p>
"Shares"	any shares for the time being in the capital of the Company
"Shareholder"	a holder for the time being of any Shares
"Shareholder-related Contract"	any contract, agreement, arrangement or transaction including (without limitation) any such matter entered into for employment or the provision of services made between any Ordinary Shareholder or person who in relation to such Ordinary Shareholder is a Connected Person and the Company or any subsidiary of the Company or any holding Company of the Company or any subsidiary of any such holding company
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended)
"Connected Person"	as defined by Section 533 Income and Corporation Taxes Act 1970
"Shareholders Agreement"	the agreement dated 6th January 1989 made between (1) the Company (2) E.W. Boss and

(3) Phildrew Nominees Limited relating inter alia to the subscription for Shares

"Co-Investment Scheme"

a scheme operated by a financial institution whereby certain employees or representatives of that institution are entitled (as individuals or through a company or any other vehicle), inter alia, to acquire shares which that institution would otherwise acquire

Words and expressions defined in the Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.

2. TABLE A

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 64, 73-77 inclusive, 80 and 87 of Table A shall not apply, but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

3. PRIVATE COMPANY

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

4. SHARE CAPITAL

The share capital of the Company at the date of adoption of these Articles is £9,461,940.14 divided into 4,820,895 Senior Preference Shares, 4,607,463 Junior Preference Shares, 300,000 Ordinary Shares and 12,700,004 "A" Ordinary Shares.

5. ORDINARY SHARES, "A" ORDINARY SHARES AND "B" ORDINARY SHARES

5.1. Ordinary and "A" Ordinary Shares to rank as one class

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares and the Ordinary Shares shall rank pari passu but shall subject as provided in Article 10 hereof constitute two separate classes of shares.

5.2. Any "A" ordinary shareholder may at any time convert such or all of his "A" ordinary shares into "B" Ordinary Shares of an equivalent par value (credited with the same premium (if any) which is credited to such "A" Ordinary Shares) ("B" Ordinary Shares) by serving a Notice in Writing on the Company at its registered office or upon any director if such conversion is necessary to prevent any infringement or violation by such "A" Ordinary Shareholder of any law or regulation requiring that the amount of shares held does not exceed any limit

imposed by such law or regulation. Save as otherwise specifically provided in Article 5.3 "A" Ordinary and "B" Ordinary shares shall rank pari passu in all respects and all references to "A" Ordinary Shares and "A" Ordinary Shareholders shall be deemed to include reference to "B" Ordinary Shares and "B" Ordinary Shareholders respectively.

- 5.3. "B" ordinary shares shall not entitle "B" Ordinary Shareholders to exercise any votes at any General Meeting of the Company and the provisions of Article 11 shall be read accordingly. References in Articles 8 and 22 shall not be deemed to include a reference to "B" Ordinary Shares and "B" Ordinary Shareholders.

5.4. Conversion of Certain of the "A" Ordinary Shares

Upon a sale or listing such numbers of "A" Ordinary Shares shall be converted into Deferred Shares (having the rights set out in Article 5.5 below) so as to bring about the following:-

- (a) If upon the "A" Ordinary Shares, Senior Preference Shares, Junior Preference Shares and Deferred Shareholder Stock ("the Securities") subscribed from time to time an IRR of 12 or greater but not more than 18 is attained by the holders thereof then such numbers of the "A" Ordinary Shares shall be converted into Deferred Shares so as to increase the value of the Ordinary Shares by £750,000 if the IRR is 12 up to £1,000,000 if the IRR is 18 and increased by a pro rata value for any IRR between twelve and eighteen;
- (b) If upon the Securities an IRR of 18 or more is attained by the holders thereof then in addition to those "A" Ordinary Shares converted pursuant to (a) above such further number of "A" Ordinary Shares shall be converted into Deferred Shares so as to increase the value of the Ordinary Shares by 10% of the aggregate value attributable to the Securities in excess of a return of an IRR of 18.

Any such conversion shall be made amongst the "A" Ordinary Shareholders pro rata to their holdings of "A" Ordinary Shares.

5.5. Deferred Shares

The rights attaching to the Deferred Shares are as follows:-

- (a) They shall confer no rights to vote at an Extraordinary General Meeting of the Company nor upon their holders the right to attend and speak at any such meetings;
- (b) No dividends shall be payable on Deferred Shares; and
- (c) After the "A" Ordinary Shares and the Ordinary Shares have received £1 million each, on a return of capital the Deferred Shares shall entitle their holders to £1 per share but to no further participation.

## 6. RIGHTS OF THE SENIOR PREFERENCE SHARES

### 6.1. As Regards Income

6.1.1. The Senior Preference Shares shall not confer on the holders thereof the right to receive any income unless they have not been redeemed or converted pursuant to Articles 6.5 and 6.6 prior to 31st December 1996 when they shall be entitled to receive in priority to the transfer of any sum to reserves or the rights of the holders of any other class of shares in the capital of the Company and payable without any resolution of the Directors or of the Company a fixed cumulative preferential dividend ("Senior Preference Dividend") at the rate of 12 per cent. per annum gross on the nominal amount of the capital for the time being paid up thereon in respect of periods commencing on or after 1st January 1996. The Senior Preference Dividend shall accrue from day to day and be paid annually on 31st December in each year in respect of the 12 months ending on that date out of the profits of the Company available for distribution. Any amount not so paid shall be carried forward and be payable in priority to the Senior Preference Dividend payable on any later date.

6.1.2. The rate at which the Senior Preference Dividend is payable shall be at a rate per annum compounded with rests on the due dates for payment thereof and the amount payable in respect of an overdue dividend shall be increased accordingly.

### 6.2. As Regards Capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the Shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company in paying to the Senior Preference Shareholders the Redemption Monies as set out in Article 6.5 below and in paying any unpaid Senior Preference Dividend.

### 6.3. Further Participation

The Senior Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

### 6.4. As Regards Voting

The Senior Preference Shareholders shall be entitled to receive notice of and to attend and speak but not to vote at all General Meetings of the Company unless the Company shall not have paid the Senior Preference Dividend on a due date for payment or shall have failed to make lawful payment of the redemption monies due on a redemption of the Senior Preference Shares when the Senior Preference Shareholders shall be entitled to receive notice of, to attend and until payment or redemption to vote at any General Meeting of the Company and on a show of hands each Senior Preference Shareholder present in person or by proxy shall have one vote and on a poll shall have one vote for every Senior Preference Share of which he is the holder.

## 6.5. Regards Redemption

6.5.1. the Company shall subject to Article 6.6 redeem the whole of the Senior Preference Shares immediately prior to a Sale or Listing, whichever is earlier, for the amount in cash set out in Column (B) and applicable at the relevant date set out in Column (A) below, and if the Redemption Date falls between any two of the dates set out in Column (A) the amount payable shall be the amount payable on the previous date plus such proportion of the incremental amount payable on the next such date as is represented by the number of days elapsed since the previous date:-

(A) <u>For a Redemption Date</u>	(B) <u>(£)</u>
Upon issue of the Senior Preference Shares	4,724,480
on 31st December 1991	7,086,715
on 31st December 1992	10,630,073
on 31st December 1993	24,088,409
on 31st December 1994	40,719,530
on 31st December 1995	44,849,932

the amount so payable is referred to as the "Redemption Monies".

6.5.2. the Redemption Date shall be the date immediately prior to such Sale or Listing as appropriate and any failure to do any act by a Senior Preference Shareholder shall not prejudice due and proper redemption hereunder.

6.5.3. subject to Article 6.6 upon the Redemption Date the Redemption Monies shall become a debt due and payable by the Company to the relevant Senior Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the Redemption Monies to the appropriate shareholder together with any amounts due in respect of the Senior Preference Dividend.

6.5.4. on redemption the Company shall cancel the share certificate of the shareholder concerned.

## 6.6. Conversion of Senior Preference Shares

If the Directors with the consent of the "A" Director shall so determine instead of redeeming the Senior Preference Shares the Company may immediately prior to a Sale or Listing redesignate or sub-divide the Senior Preference Shares into such number and such class of Share which on a Listing would have a market value at the offer for sale or placing price equal to the Redemption Monies or on a Sale would have a right in priority to any other class of Shares to receive the Redemption Monies. For the avoidance of doubt any unpaid Senior Preference Dividend shall be payable in cash.

## 6.7. Matters Requiring Consent of Senior Preference Shareholders

So long as any Senior Preference Shares shall remain outstanding and except with such consent or sanction on the part of the Senior Preference Shareholders as is required for a variation of the special rights attached to such shares:

6.7.1. the Company shall not modify or vary the rights attaching to the "A" Ordinary Shares or Ordinary Shares or the terms of the Senior Preference Shares or Junior Preference Shares;

6.7.2. the Company shall not pass any resolution for reducing the "A" Ordinary Shares or Ordinary Shares or save for the purpose of redeeming the Senior Preference Shares or the Junior Preference Shares the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner or reduce any uncalled liability in respect of partly paid shares;

6.7.3. the Company shall not make any distribution, payment or return to Shareholders (other than in respect of the Junior Preference Shares or Senior Preference Shares) of a capital nature;

6.7.4. the Company shall not issue any further shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Senior Preference Shares;

6.7.5. the Company shall not permit any subsidiary to issue (other than to the Company) or another wholly owned subsidiary of the Company any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital nor shall any disposal be made by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid);

6.7.6. the Company shall not capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve.

## 7. RIGHTS OF THE JUNIOR PREFERENCE SHARES

### 7.1. As Regards Income

7.1.1. The Junior Preference Shares shall confer on the holders thereof the right to receive in priority to the transfer of any sum to reserves or rights of the holders of any other class of shares in the capital of the Company other than the Senior Preference Shares and payable without any resolution of the Directors or of the Company a fixed preferential dividend ("Junior Preference Dividend") at the following rate per annum gross in respect of the periods set out below:



Rate per annum

Period

10 per cent

from 10th December 1990 to 31st March 1994

12.5 per cent

from 1st April 1994 and thereafter

on the nominal amount of the capital for the time being paid up thereon. The Junior Preference Dividend shall accrue from day to day and be paid annually on 31st March in each year in respect of the twelve months ending on that date out of the profits of the Company available for distribution provided that the first payment shall be due and payable on 31st March 1994 and shall be calculated in respect of the period from 10th December 1990 up to and including 31st March 1994.

Any amount not so paid shall be carried forward and be payable in priority to the Junior Preference Dividend payable on any later date.

7.1.2. the rate at which the Junior Preference Dividend is payable shall be a rate per annum compounded with rests on the due dates for payment thereof and the amount payable in respect of an overdue dividend shall be increased accordingly.

7.1.3. the amount of the accrued Junior Preference Dividend due and payable on 31st March 1994 shall be capitalised as at 31st March 1994 and applied in the issue to Junior Preference Shareholders pro rata their existing holdings of Junior Preference Shares of new Junior Preference Shares of £1 each credited as fully paid.

7.2. As Regards Capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the Shareholders shall be applied, after payment of the Redemption Monies to the Senior Preference Shareholders in priority to any payment to the holders of any other class of shares in the capital of the Company in paying to the Junior Preference Shareholders:

- (i) first, the nominal amounts paid up on the Junior Preference shares held by them; and
- (ii) secondly, a sum equal to any arrears or deficiency of the Junior Preference Dividend to be calculated down to the date of return of capital and to be payable irrespective of whether or not such dividend has been declared or earned.

7.3. Further Participation

The Junior Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

7.4. As Regards Voting

Junior Preference Shareholders shall be entitled to receive notice of and to attend and speak but not to vote at all General Meetings of the Company unless the Company shall not have paid the Junior Preference Dividend on a due date for payment or shall have failed to make lawful payment of the

redemption monies due on a redemption of the Junior Preference Shares when the Junior Preference Shareholders shall be entitled to receive notice of, to attend and until payment or redemption to vote at any General Meeting of the Company and on a show of hands each Junior Preference Shareholder present in person or by proxy shall have one vote and on a poll shall have one vote for every Junior Preference Share of which he is the holder.

**7.5. As Regards Redemption**

Provided that the Company has first redeemed the Senior Preference Shares.

7.5.1. the Company shall (provided always that the Directors of the Company reasonably believe that the Junior Preference Shares may be redeemed without the Company going into insolvent liquidation within 12 months of the date of such redemption) redeem the whole of the Junior Preference Shares for cash at par immediately prior to a Sale or Listing or on 31st December 1998 whichever is earlier.

7.5.2. the Redemption Date shall be the date immediately prior to such Sale or Listing or 31st December 1998 as appropriate and any failure to do any act by a Junior Preference Shareholder shall not prejudice due and proper redemption hereunder.

7.5.3. upon the Redemption Date the nominal value of the Junior Preference Shares to be redeemed and any Junior Preference Dividend due thereon ("the redemption monies") shall become a debt due and payable by the Company to the relevant Junior Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the redemption monies to the appropriate shareholder.

7.5.4. on redemption the Company shall cancel the share certificate of the shareholder concerned.

7.5.5. As from the Redemption Date the Junior Preference Dividend shall cease to accrue on any shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the redemption monies in which case the Junior Preference Dividend shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment.

7.5.6. For the purpose of Clause 7.5.1 above the Company may and shall whenever so required by any of the Junior Preference Shareholders procure a report or opinion of the Company's auditors or (if it is in liquidation) by its liquidator as to whether or not the Company would be likely to go into insolvent liquidation within 12 months of the Redemption Date if the Junior Preference Shares were to be redeemed on the Redemption Date.

**7.6. Matters Requiring Consent of Junior Preference Shareholders**

So long as any Junior Preference Shares shall remain outstanding and except with such consent or sanction on the part of the Junior Preference Shareholders as is required for a variation of the special rights attached to such shares:

7.6.1. the Company shall not modify or vary the rights attaching to the "A" Ordinary Shares or Ordinary Shares or the terms of the Junior Preference Shares;

7.6.2. the Company shall not pass any resolution for reducing the "A" Ordinary Shares or Ordinary Shares or save for the purpose of redeeming the Junior Preference Shares and the Senior Preference Shares the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner or reduce any uncalled liability in respect of partly paid shares;

7.6.3. the Company shall not make any distribution, payment or return to Shareholders (other than in respect of the Junior Preference Shares and the Senior Preference Shares) of a capital nature;

7.6.4. the Company shall not issue any further shares ranking as regarding participation in the profits or assets of the Company in priority to or pari passu with the Junior Preference Shares;

7.6.5. the Company shall not permit any subsidiary to issue (other than to the Company) or another wholly owned subsidiary of the Company any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital nor shall any disposal be made by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid);

7.6.6. the Company shall not capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve.

## 8. MATTERS REQUIRING CONSENT OF "A" ORDINARY SHAREHOLDERS AND "A" DIRECTOR

8.1. In addition to any other authority required in law the following matters all require to be authorised by the holders of a majority of the "A" Ordinary Shares in general meeting or in writing and provided that in the event of any conflict between any of the provisions of this Article and the provisions of any other Article the provisions of this Article shall prevail:-

8.1.1. the sale lease transfer or other disposition in any financial year of the Company of the whole or any significant part of the undertaking of the Company or the sale or other disposal of a subsidiary the net assets of which represent more than 25 per cent. of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown by the latest available consolidated audited balance sheet of the Company and its subsidiaries (adjusted as appropriate to reflect any deterioration since the balance sheet date if any Director so requires and he shall so require if he has any reason to believe the net tangible assets have decreased since such date) or if no such balance sheet is available then assets representing £5,000,000. Provided that for the purposes of this Article all disposals in any financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required from the "A" Ordinary Shareholders;

8.1.2. any action is commenced to wind up or dissolve the Company or any subsidiary;

8.1.3. the alteration of the accounting reference date of the Company or any subsidiary;

8.1.4. any variation in the authorised or issued share or loan capital or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary;

8.1.5. any capital expenditure by the Company and its subsidiaries in excess of the following agreed aggregate annual limits

For the financial year ended 31st December 1991 £1.1 million

For the financial year ended 31st December 1992 £2.1 million

For the financial year ended 31st December 1993 £2.2 million

8.1.6. any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

8.1.7. any alteration to the Memorandum or Articles of Association of the Company or any subsidiary;

8.1.8. the declaration or distribution of any dividend or other payment out of the distributable profits of the Company other than the minimum dividend payable pursuant to Article 8 and the Preference Dividend payable pursuant to Article 6;

8.2. In addition to any authority received in law and by the foregoing Article, the following matters require to be authorised by the "A" Director:-

8.2.1. the creation of any one or more mortgages charges or encumbrances on any asset of the Company or its subsidiaries to secure an amount or amounts aggregating or exceeding in any one financial year of the Company £25,000 or the giving by the Company or its subsidiaries of any guarantee for such an amount or amounts;

8.2.2. the creation of or any amendment to any Shareholder-related Contract or any variation of the remuneration or other benefits payable thereunder or the making by the Company or any subsidiary of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;

8.2.3. entering into by the Company and its subsidiaries of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceed or are likely to exceed £60,000 per annum or the entering into by the Company and its subsidiaries of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £100,000 in any year;

8.2.4. the appointment of any director to the Board of the Company;

8.2.5. the appointment of any auditors of the Company or any Subsidiary;

8.2.6. the incorporation of a new subsidiary or the purchase of any shares in any Company;

8.2.7. the sale, lease, transfer or other disposition by the Company or its subsidiaries in any financial year of the Company of assets representing more than £500,000.

8.3. In addition the "A" Director must be consulted prior to the sale lease transfer or other disposition in any financial year by the Company or its subsidiaries of the Company of assets representing more than £50,000.

## 9. MINIMUM DIVIDEND

9.1. Subject to the payment of the Preference Dividend the "A" Ordinary Shareholders and the Ordinary Shareholders shall be entitled in respect of the financial year ending on 31st December 1996 and in respect of each financial year of the Company ending thereafter to a dividend (the "Minimum Dividend") of a cash sum (net of any associated tax credit) equal to 50 per cent. of the net profits (as hereinafter defined) of the Company and its subsidiaries for the relevant financial year; the Minimum Dividend (if any) shall be paid not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial year are adopted such Annual General Meeting to be held no later than three months after the end of each financial period and shall be distributed amongst the "A" Ordinary Shareholders and the Ordinary Shareholders pro rata according to the nominal amount (but excluding any premium) paid up or credited as paid up on the "A" Ordinary Shares and Ordinary Shares held by them respectively.

9.2. For the purpose of calculating the Minimum Dividend the expression "net profits" shall mean the net profits of the Company and its subsidiaries available for distribution as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserves other than in respect of the Junior Preference Shares and the Senior Preference Shares.

9.3. Subject to payment of the Minimum Dividend any further profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the Shareholders according to the amounts paid up or credited as paid up on the Shares (excluding any premium) and in accordance with the rights attaching to such Shares held by them respectively.

## 10. ISSUES OF SHARES

10.1. Subject to these Articles and save as provided in Article 9.2 the pre-emption provisions of sub-section (1) of Section 89 and sub-sections (1) to (6) of Section 90 of the Act shall apply to any allotment of the Company's equity securities Provided that for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class and the period specified in Section 90(6) of the Act shall be 60 days and Provided further that the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they

have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares.

10.2. Save with the consent of the holders of 75 per cent. in nominal value of the "A" Ordinary Shares no person shall be entitled to be entered on the Register of Members of the Company unless such person shall have first entered into an agreement with the Company as agent of and trustee for all the Shareholders to be bound by terms and conditions of the Shareholders Agreement.

11. VOTES

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company.

12. PERMITTED TRANSFERS

12.1. The Directors shall not register any transfer of Shares in the Company save in the circumstances permitted by Articles 11, 12, 13, 14 and save as provided in the subsequent provisions of this Article the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the provisions of Articles 12, 13, 14 and 15

12.2. Without prejudice to Regulation 5 of Table A, any share held by a Shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that Shareholder only ("Beneficial Shareholder") PROVIDED THAT the provisions of this Article and Articles 13, 14, 15 and 16 shall apply to any Share so transferred as if it were still held by the Beneficial Shareholder.

12.3.1. Any share held by a nominee of or a trustee for a beneficial shareholder may, provided always that the requirements of Article 12.3.2. are satisfied, be transferred to such beneficial shareholder or subject to the proviso in Article 12.2 to any other nominee of or trustee for such beneficial shareholder only.

12.3.2. Where a share is to be held as nominee of or transferee for another, the intending nominee or transferee must prior to the issue or transfer of such share to the nominee or transferee disclose to the company that he is to hold such share or shares as nominee of or transferee for a beneficial shareholder. A nominee or transferee failing to make such prior disclosure shall not be entitled to transfer any share or shares subsequently held by him as nominee or transferee to the beneficial shareholder.

12.4. Any Shareholder which is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled directly or indirectly by its ultimate parent company PROVIDED ALWAYS THAT the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled directly or indirectly by such ultimate parent company immediately prior to it so ceasing such Shares shall be transferred to another body corporate so controlled.

12.5. Any Share may be transferred at any time by a Shareholder to any other person with the consent of all the holders of ninety five per cent. of the issued Ordinary and "A" Ordinary Shares for the time being of the Company.

12.6. Any Shareholder who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such shareholder and/or relatives of such shareholder and of which the said shareholder is a settlor Provided always that the Trustees give an undertaking to the Company that, in the event of the death of the relevant Shareholder or the relevant Shareholder ceasing to be employed by or a Director of the Company or any subsidiary a Sale Notice pursuant to Article 15.1 in respect of such Shares shall be deemed to have been served by the Trustees.

12.7. Any Shares which are held by an Investment Trust Company (as defined for the purposes of the Rules of The Stock Exchange in London) whose shares are listed on The Stock Exchange in London may be transferred to another such Investment Trust Company:-

- (a) whose shares are also so listed; and
- (b) which is managed by the same Management Company as the transferor or by a holding company of such Management Company or any subsidiary company of such holding company.

Provided always that such transferee gives an undertaking to the Company that in the event of the Investment Trust Company ceasing to satisfy requirements (a) and (b), such Shares shall be transferred back to the transferor.

12.8. Any Shares may be transferred between nominees or Custodian Trustees acting on behalf of Trustees of a superannuation fund which is an exempt approved scheme or treated as an exempt approved scheme by the Commissioners of Inland Revenue for the purposes of Chapter II of Part II of the Finance Act 1970 provided that the transferee gives an undertaking to the Company that upon the criteria set out in this sub-clause ceasing to be fulfilled such Shares shall be transferred back to the transferor.

12.9. In the case of Legal & General Assurance Society Limited it may transfer shares of the Company or the beneficial interest therein to any unit trust which is managed by Legal & General Group PLC or a subsidiary of Legal & General Group PLC and any such unit trust may transfer shares or the beneficial interest therein to any other unit trust managed as aforesaid provided always that such transfer is made on terms that should such unit trust cease to be managed by Legal & General Group PLC or any subsidiary as aforesaid it will forthwith re-transfer the shares in question to Legal & General Group PLC or any subsidiary as aforesaid and in the event of any breach of such provisions relating to such re-transfer the relevant unit trust shall be deemed to have served a Sale Notice in respect of such shares in the Company pursuant to Article 13.1. For the purpose hereof unit trust shall include an investment trust managed as aforesaid and also any clients of Legal & General Group PLC or any subsidiary thereof, that is to say persons or funds to whom Legal & General Group PLC or any subsidiary thereof acts as manager, operator or investment manager pursuant to contractual arrangements or otherwise.

12.10. Any Shareholder which subscribes for "A" Ordinary Shares or Senior Preference Shares prior to 1st February 1992 and which is a Co-Investment Scheme may transfer any shares so subscribed to the financial institution whose employees or representatives are beneficiaries of that scheme provided such transfer takes place prior to 1st August 1992.

### 13. TRANSFER BY "A" ORDINARY SHAREHOLDERS

13.1. Any "A" Ordinary Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the "A" Ordinary Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the "A" Ordinary Shares which the Retiring Shareholder wishes to sell (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at market value (such value to be determined in accordance with the provisions of Article 13.6) ("Market Value").

13.2. On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other "A" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

13.3. If the Company shall not have found "A" Ordinary Shareholders willing to purchase all of the Sale Shares pursuant to Article 13.2 the Company shall forthwith offer the Sale Shares not so accepted to the Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares. Such offer shall to the extent that it is not accepted within 42 days of the receipt of the Sale Notice by the Company be deemed to be declined.

13.4. If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Articles 13.2 and 13.3 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

13.4.1. the price for the Sale Shares is to be Market Value determined in accordance with this Article and

13.4.2. subject to the proviso contained in Article 14 the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 13.6. In the event of withdrawal the Shares comprised in such Sale Notice shall be



offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

13.4.3. if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 13.4.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 13.4.2.

13.5. If the Company shall not find purchasing Shareholder(s) pursuant to Articles 13.2 and 13.3 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 13.4 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholder or in respect of which the sale was not completed as aforesaid or (in any case where the Sale Notice stated that the Retiring Shareholder required to sell all and not part only of the Sale Shares) all of the Sale Shares to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 13 shall apply to such further Sale Notice save that Market Value shall be deemed to be much lower price.

13.6. The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties and shall be calculated as if the Sale Shares were sold at the same time and on the same terms as the remainder of the issued share capital of the Company and for a direct proportion of the sale price thus obtained assuming:-

- (a) willing sellers and a willing purchaser for all such shares; and
- (b) that the "A" Ordinary Shares and the Ordinary Shares form one class.

13.7. In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholder as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholder shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which

the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

13.8. The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

13.9. Any Retiring Shareholder shall be entitled to specify in the Sale Notice that it is a condition of the sale of the Sale Shares that the purchasing shareholder also purchases from the Retiring Shareholder such number of the Junior Preference Shares and Senior Preference Shares held by the Retiring Shareholder as shall be proportionate to the number of "A" Ordinary Shares being purchased by the Purchasing Shareholder from the Retiring Shareholder. Such Junior Preference Shares and Senior Preference Shares shall be sold and purchased at Market Value in accordance with the provisions of Articles 17.5 to 17.7.

#### 14. TRANSFERS BY ORDINARY SHAREHOLDERS

14.1. Save as provided in Article 11 the Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

14.2. In this Article:

14.2.1. "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

14.2.2. "Market Value" shall have the meaning ascribed thereto in Article 13.

14.3. Any Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares held by him ("Retiring Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares which the Retiring Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares") which notice shall constitute the company the agent of the Retiring Ordinary Shareholder for the sale of the Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.

14.4. On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares at Market Value to the Qualifying Purchasers.

14.5. If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is/are found for the whole or part of the Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall be completed within seven days of the determination of the Market Value thereof.

14.6. If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares pursuant to Article 14.5 or at any time if so determined in writing by the "A" Director then:

14.6.1. at such time the Retiring Ordinary Shareholder shall be deemed to have served a Sale Notice in respect of such of the Ordinary Sale Shares as remain unsold; and

14.6.2. the Company shall forthwith offer the Sale Shares at Market Value firstly to all the other Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares. Such offer shall to the extent that the same is not accepted within 14 days of receipt by the Company of the Sale Notice be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares such offer shall to the extent that it is not accepted within 21 days of receipt by the Company of the Sale Notice be deemed to be declined.

14.7. If the Company shall not have found purchasers for all of the Ordinary Sale Shares pursuant to Articles 14.5 and 14.6 the Company shall forthwith offer the Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 35 days of the receipt by the Company of the Sale Notice be deemed to be declined and any remaining Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of such shares such offer shall to the extent that it is not accepted within 42 days of the receipt by the Company of the Sale Notice be deemed to be declined.

14.8. Subject to Article 15 the provisions of Article 13 shall apply mutatis mutandis to such offer for sale.

#### 15. DEEMED TRANSFER NOTICE

15.1. In any case where prior to a Sale or Listing a Shareholder (other than an "A" Director) ceases (for whatever reason) to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as either a director or employee of the Company or of that subsidiary, as the case may be) he shall at the option of the "A" director at any time thereafter be deemed to have served a Sale Notice pursuant to Article 14 above in respect of his entire holding of Ordinary Shares (including any shares held for him pursuant to Article 12) and the provisions of Article 14 shall apply in relation thereto save that a Sale Notice deemed to be given by such director or employee in the circumstances herein referred to shall not be capable of revocation; and in respect of Ordinary Shares held by E.W. Boss or by his permitted transferee this Article 14 shall not apply in the event that he is unfairly or wrongfully dismissed or if he dies.

#### 16. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary or "A" Ordinary Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and registered in a person whether or not then a member of the

Company obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety per cent. the issued Ordinary and "A" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary and "A" Ordinary Shares at the Specified Price (as hereinafter defined) and the Junior Preference Shares at par plus an amount equal to any arrears and accruals of the Junior Preference Dividend and the Senior Preference Shares at an amount equal to the Redemption Monies which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)

Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Articles 13, 14 and 15.

16.1. For the purpose of this Article

16.1.1. the expression "a controlling interest" shall mean shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings

16.1.2. the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and

16.1.3. the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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.

17. TRANSFERS OF JUNIOR PREFERENCE SHARES AND SENIOR PREFERENCE SHARES

17.1. Any Junior Preference Shareholder (the "Retiring Shareholder") wishing to transfer part or all of the Junior Preference Shares held by him shall first give a notice in writing (a "Sale Notice") to the Company specifying the number and de-noting numbers (if any) of the Preference Shares which the Retiring Shareholder wishes to sell and shall include such proportionate amount of "A" Ordinary Shares that such Shareholder holds as the number of Junior Preference Shares specified bears to the total number of Junior Preference Shares held by such Shareholder (the "Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at

market value (such value to be determined in accordance with the provisions of Article 16.6) ("Market Value").

17.2. On receipt of a Sale Notice the Company shall forthwith offer the Sale Shares at Market Value first to all the other Junior Preference Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Junior Preference Shares in the Company. Such offer shall to the extent that the same is not accepted within 14 days of the receipt of the Sale Notice by the Company be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Junior Preference Shareholders who have accepted Sale Shares and if there be more than one such Junior Preference Shareholder in proportion as nearly as may be to their existing holdings of Junior Preference Shares in the Company. Such offer shall to the extent that it is not accepted within 21 days of receipt of the Sale Notice by the Company be deemed to be declined.

17.3. If the Company shall find purchasing Shareholders in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares in accordance with Article 17.2 it shall forthwith give notice thereof to the Retiring Shareholder which notice shall provide:-

17.3.1. the price for the Sale Shares is to be Market Value determined in accordance with this Article and

17.3.2. the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Shareholder shall have the right to withdraw from the proposed purchase until either Market Value is agreed between them or within seven days of the date of the Chartered Accountant's determination as provided in Article 17.5. In the event of withdrawal the Shares comprised in such Sale Notice shall be offered as if the offer to the purchasing Shareholder had been declined and all time limits shall be adjusted to run accordingly. In the event of revocation the offer shall lapse and the provisions of this Article shall apply to any further attempt to transfer the Sale Shares.

17.3.3. if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Shareholder does not withdraw pursuant to Article 17.3.2 above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in Article 17.3.2.

17.4. If the Company shall not find purchasing Shareholder(s) pursuant to Article 17.2 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 17.3 the Retiring Shareholder shall be at liberty at any time within one month after the determination of Market Value or if later within six months after the first service of the Sale Notice to transfer such of the Sale Shares as were not accepted by purchasing Shareholders or in respect of which the sale was not completed as aforesaid to any person he may wish and at Market Value or any higher or (subject as provided below) lower price PROVIDED THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 16 shall apply to such further Sale Notice save that Market Value shall be deemed to be the lower price.

17.5. The market value of the Sale Shares shall be determined by agreement between the Retiring Shareholder and the purchasing Shareholders but in default of agreement thereon within fourteen days of the first offering of the Sale Shares or any of them to such Shareholders shall be calculated on the basis of a sale between a willing seller and a willing purchaser (as at the date of the Sale Notice) and shall be certified by an independent Chartered Accountant of not less than five years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said Chartered Accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties.

17.6. In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Shareholder and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Shareholders as holders thereof and issue to them certificates for the same whereupon the purchasing Shareholders shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

17.7. The cost of obtaining a certificate of Market Value shall be borne equally by the Retiring Shareholder and the purchasing Shareholder provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

17.8. The provisions of this Article 17 shall apply mutatis mutandis to the Senior Preference Shares.

#### 18. ADJOURNED MEETINGS

18.1. If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder present shall form a quorum and Regulations 41 of Table A shall be modified accordingly.

18.2. It shall not be necessary to give any notice of an adjourned meeting and Regulations 45 of Table A shall be modified accordingly.

#### 19. POLLS

A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 58 of Table A shall be modified accordingly.

## 20. DIRECTORS' BORROWING POWERS

20.1. Subject to Article 8 hereof the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Sections 81 and 82 of the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party PROVIDED THAT the Directors shall procure that the aggregate of the amounts for the time being remaining undischarged or owing by the Company and its subsidiaries by way of borrowed monies (but excluding any inter-company loans, mortgages and charges) and any Loan Notes issued by the Company pursuant to the Shareholders Agreement and including any amounts payable under leases or hire purchase commitments shall not exceed £66,000,000.

20.2. For the purposes of this Article "borrowed monies" shall be deemed to include the following except in so far as otherwise taken into account:-

20.2.1. the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries from any bank, acceptance house, financial institution or any other person whatsoever, whether by way of overdraft, loan, acceptance credit or otherwise howsoever;

20.2.2. any sums of money the repayment whereof by a person other than the Company or any subsidiary is the subject of a guarantee or indemnity by the Company or its subsidiaries;

20.2.3. outstanding amounts raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

20.2.4. the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

20.2.5. the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and

20.2.6. any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

20.2.7. for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

20.2.8. borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any

other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

20.3. A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Articles 20.1 to 20.2 be owing by the Company and its subsidiaries shall be conclusive in favour of the Company and all persons dealing with the Company.

20.4. When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 20 on any particular day is being ascertained, any of such monies denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

20.4.1. at the rate of exchange prevailing on that day in London provided that all but not some only of such monies shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or

20.4.2. to the extent that the repayment of such monies is specifically covered by a forward purchase contract at the rate of exchange specified therein.

20.5. No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 20 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

## 21. DIRECTORS

21.1. Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and not more than seven.

21.2. A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.

21.3. The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly.

## 22. "A" DIRECTOR

The holders of 75 per cent. in nominal amount of the "A" Ordinary Shares shall be entitled to appoint and remove a Director of the Company ("A" Director), and the "A" Director shall be entitled to receive an annual fee of £15,000 plus VAT payable quarterly in arrears in respect of such appointment together with all expenses incurred by him in connection with his appointment as a



Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office or by service upon any other Director for the time being of the Company.

23. BOARD MEETINGS

Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least three clear working days notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director. All Board Meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for all board meetings shall be two Directors one of whom shall be the "A" Director unless the consent in writing is obtained of the "A" Director for the meeting to be held in his absence.

2290541

The Directors  
S G Industries Ltd  
11 Mulberry Business Park  
Wokingham  
Berkshire

2 December 1993

A/GWR/hmc

Dear Sirs

In accordance with section 392 of the Companies Act 1985, we write to notify you of our resignation as auditors of your company and its subsidiaries. This resignation takes effect from the time at which you receive this letter.

In accordance with section 394(1) of that Act, we confirm that there are no circumstances connected with our resignation which we consider should be brought to the attention of the members or creditors of the company. We confirm that we have no claims against the company except for outstanding fees and work in progress.

Yours faithfully

*Ernst & Young*



08 - 03 - 95

**G**

COMPANIES FORM No. 123

**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block letteringTo the Registrar of Companies  
(Address overleaf)

For official use

Company number

[ ] [ ] [ ] [ ]

2290541

Name of company

\* Insert full name  
of company

\* S-G INDUSTRIES LIMITED

§ the copy must be  
printed or in some  
other form approved  
by the registrargives notice in accordance with section 123 of the above Act that by resolution of the company  
dated 20 FEBRUARY 1995 the nominal capital of the company has been  
increased by £ 1,800,000 beyond the registered capital of £ 9,811,940.14

A copy of the resolution authorising the increase is attached. §

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new  
shares have been or are to be issued are as follow:

TO RANK PARI PASSU IN ALL RESPECTS  
WITH THE EXISTING JUNIOR PREFERENCE  
SHARES OF £1 EACH IN THE CAPITAL  
OF THE COMPANY

Please tick here if  
continued overleaf† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

Designation †

DIRECTOR

Date 25/2/95

Presentor's name address and  
reference (if any):

CLIFFORD CHANCE  
200 ADELPHI GATE STREET  
LONDON EC1A 4JJ  
Ref: JTB/PM/52624/251

For official Use  
General Section

Post room



08 - 03 - 95

**G**

COMPANIES FORM No. 123

**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block letteringTo the Registrar of Companies  
(Address overleaf)

For official use

Company number

[ ] [ ] [ ] [ ]

2290541

Name of company

\* Insert full name  
of company

\* S. G. INDUSTRIES LIMITED

§ the copy must be  
printed or in some  
other form approved  
by the registrargives notice in accordance with section 123 of the above Act that by resolution of the company  
dated 20 FEBRUARY 1995 the nominal capital of the company has been  
increased by £ 350,000 beyond the registered capital of £ 9,461,940.14

A copy of the resolution authorising the increase is attached. §

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new  
shares have been or are to be issued are as follow:

HAVING THE RIGHTS ATTACHING TO THE "C" ORDINARY  
SHARES IN THE CAPITAL OF THE COMPANY IN THE  
ARTICLES OF ASSOCIATION OF THE COMPANY AS  
AMENDED BY THE SAME RESOLUTION PASSED ON  
20 FEBRUARY 1995

Please tick here if  
continued overleaf† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

Designation: DIRECTOR

Date

25/2/95

Presentor's name address and  
reference (if any):

CLIFFORD CHANCE  
200 ADELPHI GATE STREET  
LONDON EC1A 4JJ

Ref: J28/PM/52624/  
251

For official Use  
General Section

Post room



08 - 03 - 95

Company No: 2290541

**S.G. INDUSTRIES LIMITED****SPECIAL RESOLUTIONS**

THE FOLLOWING RESOLUTIONS of the above-named Company were passed as Special Resolutions at an Extraordinary General Meeting of the Company duly convened and held on 20 February 1995:-

**SPECIAL RESOLUTIONS****Adoption of new employee share schemes****1. THAT:**

(A) the terms of the following documents:-

- (i) the Rules of The S.G. Industries Executive Share Option Scheme; and
- (ii) the Rules of The S.G. Industries Sharesave Scheme,

be and they are hereby approved and adopted, the Board of Directors be and it is hereby authorised to do all things necessary to carry the same into effect (including making any amendments required by the Inland Revenue in order to obtain approval thereof), and the directors be and they are hereby authorised to vote and be counted in the quorum on any matter connected with the schemes, notwithstanding that they may be interested in the same (except that no director may be counted in a quorum or vote in respect of his own participation) and any prohibition on voting by interested Directors in the Articles of Association of the Company be and is hereby relaxed accordingly;

(B) in connection with the passing of paragraph (A) above:

- (a) the authorised share capital of the Company be increased to £9,811,940.14 by the creation of 3,500,000 new "C" Ordinary Shares each having the rights attaching thereto as provided for in the amended Articles of Association of the Company adopted pursuant to paragraph (b) below; and
- (b) that the Articles of Association of the Company be amended in the following manner:
  - (i) by the insertion in Article 1 of two new definitions to read as follows:

"C" Ordinary Share"

a "C" Ordinary Share of 10p in the capital of the Company as hereinafter provided";

"C" Ordinary Shareholder"

a holder for the time being of "C" Ordinary Shares";

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- (ii) by the deletion of Article 5.1 and the replacement thereof by:

**"5. ORDINARY SHARES, "A" ORDINARY SHARES, "B" ORDINARY SHARES AND "C" ORDINARY SHARES**

- 5.1 Ordinary, "A" Ordinary Shares and "C" Ordinary Shares to rank as one class**

Save as otherwise specifically provided in these Articles the "A" Ordinary Shares, the Ordinary Shares and the "C" Ordinary Shares shall rank *pari passu* but shall, subject as provided in Article 10 hereof, constitute three separate classes of shares.";

- (iii) by the deletion in line four of Article 10.1 of the words "Ordinary Shares and the "A" Ordinary Shares" and the replacement thereof by the words "Ordinary Shares, "A" Ordinary Shares and the "C" Ordinary Shares";

- (iv) by the insertion in Article 13 of the expression "and/or "C" Ordinary Shareholder(s)" after the expression "Ordinary Shareholder(s)" whenever that expression appears in that Article and of the expression "and/or "C" Ordinary Shares" after the expression "Ordinary Shares" whenever that expression appears in that Article save in Article 13.6(b) which such Article is amended by the insertion of the expression ", the "C" Ordinary Shares" after the expression "'A" Ordinary Shares" therein;

- (v) by the deletion of Article 14 and the replacement thereof by:

**14. TRANSFERS BY ORDINARY SHAREHOLDERS AND/OR "C" ORDINARY SHAREHOLDERS**

- 14.1** Save as provided in Article 12, the Ordinary Shareholders and/or "C" Ordinary Shareholders shall not be entitled to transfer any Ordinary Shares and/or "C" Ordinary Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article.

- 14.2** In this Article:

**14.2.1** "Qualifying Purchaser" shall mean any person (which shall include an Employee Benefit Trust (or similar mechanism)) who in relation to a particular Transfer Notice is formally approved as such by the "A" Director but shall not include a holder of "A" Ordinary Shares;

**14.2.2** "Market Value" shall have the meaning ascribed thereto in Article 13.

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- 14.3 Any Ordinary Shareholder and/or "C" Ordinary Shareholder wishing to transfer part or all of the Ordinary Shares and/or "C" Ordinary Shares held by him ("Retiring Ordinary Shareholder and/or Retiring "C" Ordinary Shareholder") shall first give a notice in writing (a "Transfer Notice") to the Company and to the "A" Director specifying the number and denoting numbers (if any) of the Ordinary Shares and/or "C" Ordinary Shares which the Retiring Ordinary Shareholder and/or Retiring "C" Ordinary Shareholder wishes to sell ("the Ordinary Sale Shares and/or "C" Ordinary Sale Shares") which notice shall constitute the Company the agent of the Retiring Ordinary Shareholder and/or "Retiring C" Ordinary Shareholder for the sale of the Ordinary Sale Shares and/or "C" Ordinary Sale Shares at Market Value and otherwise in accordance with the provisions of this Article. A Transfer Notice once given may not be revoked.
- 14.4 On receipt of a Transfer Notice the "A" Director shall forthwith offer the Ordinary Sale Shares and/or the "C" Ordinary Sale Shares at Market Value to any Qualifying Purchaser.
- 14.5 If within 30 days of the receipt by the Company of the Transfer Notice a Qualifying Purchaser is found for the whole or part of the Ordinary Sale Shares and/or the "C" Ordinary Sale Shares at Market Value then the sale and purchase of such shares shall be completed within seven days of the determination of the Market Value thereof.
- 14.6 If a Qualifying Purchaser is not found for all of the Ordinary Sale Shares and/or "C" Ordinary Sale Shares pursuant to Article 14.5 or at any time if so determined in writing by the "A" Director then:
- 14.6.1 at such time the Retiring Ordinary Shareholder and/or Retiring "C" Ordinary Shareholder shall be deemed to have served a Transfer Notice in respect of such of the Ordinary Sale Shares and/or "C" Ordinary Sale Shares as remain unsold; and
- 14.6.2 the Company shall forthwith offer the Ordinary Sale Shares and/or "C" Ordinary Sale Shares at Market Value firstly to all the other Ordinary Shareholders and "C" Ordinary Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares and "C" Ordinary Shares. Such offer shall, to the extent that the same is not accepted within 14 days of receipt by the Company of the Transfer Notice, be deemed to be declined and any remaining Ordinary Sale Shares and/or "C" Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the Ordinary Shareholders and/or "C" Ordinary Shareholders who have accepted Ordinary Sale Shares and/or "C" Ordinary Sale

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Shares and if there be more than one such Ordinary Shareholder and/or "C" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares and/or "C" Ordinary Shares. Such offer shall, to the extent that it is not accepted within 21 days of receipt by the Company of the Transfer Notice, be deemed to be declined.

14.7 If the Company shall not have found purchasers for all of the Ordinary Sale Shares and/or "C" Ordinary Sale Shares pursuant to Articles 14.5 and 14.6 the Company shall forthwith offer the Ordinary Sale Shares and/or the "C" Ordinary Sale Shares not accepted to the "A" Ordinary Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of "A" Ordinary Shares in the Company. Such offer shall, to the extent that the same is not accepted within 35 days of the receipt by the Company of the Transfer Notice, be deemed to be declined and any remaining Ordinary Sale Shares and/or "C" Ordinary Sale Shares which have not been accepted shall forthwith be offered at Market Value to the "A" Ordinary Shareholders who have accepted Ordinary Sale Shares and/or "C" Ordinary Sale Shares and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to their existing holdings of such shares. Such offer shall, to the extent that it is not accepted within 42 days of the receipt by the Company of the Transfer Notice, be deemed to be declined.

14.8 Subject to Article 15 the provisions of Article 13 shall apply mutatis mutandis to such offer for sale";

(vi) by the deletion of the word "shares" in the sixth line of Article 15.1 and the replacement thereof by the expression "Ordinary Shares" and the deletion of the word "Sale" in the fifth and seventh lines thereof and the replacement thereof of the word "Transfer"; and

(vii) by the deletion of Article 16 and the replacement thereof by:

## 16. TRANSFERS - CHANGING CONTROL

Notwithstanding anything in these Articles no sale or transfer of any Ordinary Shares, "A" Ordinary Shares and/or "C" Ordinary Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and registered in a person, whether or not then a member of the Company, obtaining a controlling interest in the Company (the "Specified Shares") shall be made or registered without the previous written consent of the holders of ninety per cent. of the issued Ordinary, "A" Ordinary and "C" Ordinary share capital of the Company unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for



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acceptance for twenty-eight days) to purchase all the other Ordinary, "A" Ordinary and "C" Ordinary Shares at the Specified Price (as hereinafter defined) and the Junior Preference Shares at par plus an amount equal to any arrears and accruals of the Junior Preference Dividend and the Senior Preference Shares at an amount equal to the Redemption Monies, which offer every Shareholder shall be bound within twenty-eight days of the making thereof to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer)

Provided that the provisions of this Article shall not apply to the acquisition of any Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale and/or Transfer Notice given pursuant to Articles 13, 14 and/or 15.

16.1 For the purposes of this Article

16.1.1 the expression "a controlling interest" shall mean Shares conferring in the aggregate 30 per cent. or more of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings;

16.1.2 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renounee under any such letter of allotment; and

16.1.3 the "Specified Price" shall mean a price per share at least pari passu to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) 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 the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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"; and

- (C) the Directors be and are hereby authorised for the purposes of section 80 of the Companies Act 1985 ("the Act") to allot and issue "C" Ordinary Shares of 10p each up to an aggregate nominal value not exceeding 10p and are empowered pursuant to

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such authority, to allot and issue such shares for cash as if section 89 of the Act did not apply to any such allotment provided that such authority and power to allot shall expire on 31 July 1995.

## Junior Preference Shareholder accrued dividend

2. THAT the authorised share capital of the Company be increased to £11,611,940.14 by the creation of 1,800,000 additional Junior Preference Shares of £1 each and the Directors be and are hereby authorised and directed to capitalise the sum of £1,713,247 (being part of the amount standing to the credit of the share premium account) and to appropriate the same to the members of the Company who are holders of the existing Junior Preference Shares of £1 each in the capital of the Company as at the date of this Resolution and to apply the same in paying up in full at par 1,713,247 Junior Preference Shares of £1 each to such members as nearly as is practicable pro-rata to their holdings of existing Junior Preference Shares of £1 each but subject to the Directors having the right to make such exclusions or other arrangements in connection with such issue as they may deem necessary or expedient to deal with any fractional entitlements and the Directors are hereby authorised pursuant to section 80 of the Act to make such allotment, such authority to expire on 31 July 1995 and provided that the shares to be issued as a result thereof shall rank *pari passu* in all respects with the Junior Preference Shares then in issue.

## Reorganisation

3. THAT, notwithstanding any other provision of the Memorandum or Articles of Association of the Company and so that this resolution 3 shall take precedence over any such provision and shall sanction each and every variation of the rights and privileges attaching to each class of shares in the capital of the Company which may be involved in or affected by the passing and implementation of such resolution, BUT SUBJECT TO the issued and to be issued ordinary share capital of the Company being admitted to the Official List of the International Stock Exchange of the United Kingdom and Republic of Ireland Limited ("the London Stock Exchange") and the admission becoming effective in accordance with the Listing Rules made by the London Stock Exchange pursuant to Part IV of the Financial Services Act 1986 (as amended from time to time) on or before 31 July 1995 with the prior approval of the Senior Preference Shareholders as provided in resolution 4 below ("the Listing"), THEN, save as otherwise provided below or where the context otherwise requires, in the order set out in the paragraphs below so that each such paragraph shall be implemented immediately after implementation of the previous paragraph:

(A) the Articles of Association of the Company be amended by:

- (i) the insertion in Article 1 of four new definitions to read as follows:

"Deferred Share"	a Deferred Share of 1p in the capital of the Company as hereinafter provided";
"Deferred Shareholder"	a holder for the time being of Deferred Shares";

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- "Deferred Senior Share" a Deferred Senior Share of 1p in the capital of the Company as hereinafter provided;
- "Deferred Senior Shareholder" a holder for the time being of Deferred Senior Shares";
- (ii) the deletion of Articles 5.4 and 5.5 and the replacement thereof by the following:

**"5.4 DEFERRED SHARES**

The holders of the Deferred Shares shall not by virtue of or in respect of their holdings of Deferred Shares, have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The Deferred Shares shall not entitle their holders to receive any dividend or other distribution. The Deferred Shares shall on the return of assets in a winding-up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares plus the payment of £10,000,000 per Ordinary Share. The Company shall have irrevocable authority at any time after the adoption of this Article to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same to such person as the Company may determine as custodian thereof with or without making any payment to or obtaining the sanction of the holders thereof and/or to execute on behalf of such holders a transfer thereof and/or an agreement to transfer the same including without limitation to the Company (in accordance with the provisions of the Companies Act 1985) for a consideration at a rate of 1p per £1 nominal or part of £1 nominal of all such shares so sold, and all such other documents in connection therewith to give effect to the same, and, pending any such transfer and/or acquisition, to retain the certificate for such shares.

**5.5 DEFERRED SENIOR SHARES**

The holders of the Deferred Senior Shares shall have the same rights as the Deferred Shareholders in respect of the Deferred Shares as though the provision of Article 5.4 were set out in full here and, for the purposes of this Article 5.5, all references therein to the Deferred Shares were to the Deferred Senior Shares save that, on any transfer of the Deferred Senior Shares to the Company in accordance with the terms of such Article the consideration payable for the whole of the Deferred Senior Shares being purchased by the Company thereunder at any time shall be an aggregate of £1, such consideration being payable by the Company to such charity as it shall in its absolute discretion think fit.";

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- (B) the authorised share capital of the Company be increased to £15,111,940.14 by the creation of 35,000,000 new ordinary shares of 10p each having the rights set out in the new Articles of Association of the Company adopted pursuant to paragraph (P) below;
- (C) such number of new ordinary shares of 10p each ("Junior Bonus Shares") as shall be obtained by dividing the sum of £790,088.75 by the Listing Price (as defined in paragraph (H) below) (rounded down to the nearest whole number) shall be allotted and issued credited as fully paid by way of bonus and, for the purposes of making such issue, the Directors be and are hereby authorised to capitalise out of any amount for the time being standing to the credit of the share premium account as the Directors may determine, a sum equal to the nominal value of the Junior Bonus Shares to be allotted. Junior Bonus Shares allotted and issued pursuant to this paragraph shall be distributed amongst the holders of the Junior Preference Shares (who are on the Register of Members immediately prior to this resolution 3 becoming effective), pro-rata or nearly as may be to their holdings of Junior Preference Shares subject to the Directors having the right to make such exclusions or other arrangements in connection with such issue as they may deem necessary or expedient to deal with any fractional entitlements and such Junior Bonus Shares to rank pari passu in all respects with the Listing Shares (as defined in paragraph (H) below) and such issue and allotment thereof being deemed for all purposes to occur prior to the buy-back of Deferred Shares and Deferred Senior Shares pursuant to paragraphs (I) and (J) below;
- (D) such number of new ordinary shares of 10p each ("Ordinary Bonus Shares") as shall be obtained by dividing the sum of £1,000,000 by the Listing Price (as defined in paragraph (H) below) (rounded down to the nearest whole number) shall be allotted and issued credited as fully paid by way of bonus and, for the purposes of making such issue, the Directors be and are hereby authorised to capitalise out of any amount for the time being standing to the credit of the share premium account as the Directors may determine, a sum equal to the nominal value of the Ordinary Bonus Shares to be allotted. Ordinary Bonus Shares allotted and issued pursuant to this paragraph shall be distributed amongst the holders of the Ordinary Preference Shares (who are on the Register of Members immediately prior to this resolution 3 becoming effective), pro-rata or nearly as may be to their holdings of Ordinary Shares subject to the Directors having the right to make such exclusions or other arrangements in connection with such issue as they may deem necessary or expedient to deal with any fractional entitlements, such Ordinary Bonus Shares to rank pari passu in all respects with the Listing Shares (as defined in paragraph (H) below) and such bonus issue and allotment thereof being deemed for all purposes to occur prior to the buy-back of Deferred Shares and Deferred Senior Shares pursuant to paragraphs (I) and (J) below;
- (E) each of the existing Ordinary Shares, "A" Ordinary Shares and "B" Ordinary Shares of 1p each in the capital of the Company (issued and unissued) be redesignated as a Deferred Share;

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- (F) each of the existing Junior Preference Shares in the capital of the Company (issued and unissued) be divided into and redesignated as 100 Deferred Shares and each of the existing authorised but unissued Senior Preference Shares in the capital of the Company be divided into and redesignated as 98 Deferred Senior Shares;
- (G) the Directors be and are hereby authorised for the purposes of section 80 of the Act to allot and issue ordinary shares of 10p each having an aggregate nominal value not exceeding £3,500,000 and be empowered pursuant to such authority to allot and issue such shares as if section 89 of the Act did not apply to any such allotment provided that such authority to allot shall expire on the fifth business day after satisfaction of the condition to this resolution 3 or 5 August 1995 (whichever is the earlier) but that the Directors shall be entitled, before such expiry, to make an offer or agreement which would or might require such shares to be allotted after such expiry and the Directors may allot such shares pursuant to such offer or agreement notwithstanding such expiry;
- (H) the issued Senior Preference Shares in the capital of the Company be divided into and redesignated as such number of ordinary shares of 10p each having the rights set out in the Articles of Association of the Company adopted pursuant to paragraph (P) below as shall, together with the Listing Shares being issued by the Company on and in relation to the Listing for cash or other consideration at the Listing Price, being the price at which the Directors shall, with the consent of the Senior Preference Shareholders of the Company as provided for in resolution 4 below, determine that its ordinary shares shall be issued pursuant to the Listing ("the Listing Shares") (including, for the avoidance of doubt, without limitation new ordinary shares issued pursuant to paragraph (I) hereof and upon the repayment of the Loan Notes (as defined in the Shareholders Agreement) in accordance with the terms of the instrument constituting the same as amended from time to time) and any new ordinary shares issued or to be issued pursuant to each of paragraphs (C) and (D) above, have an aggregate nominal value of £3,500,000 with the balance of the nominal value of the issued Senior Preference Share being redesignated as Deferred Senior Shares and such ordinary shares and Deferred Senior Shares being allocated, so far as it is possible and without there resulting in any fractions of any Shares, pro rata amongst the holders of the existing issued Senior Preference Shares, the Directors having the right to make such exclusions and other arrangements in connection with such redesignation as they may deem necessary or expedient to deal with any fractional entitlements;
- (I) the agreement produced to the meeting and marked "A" be and it is hereby authorised for the purposes of section 164 of the Act and, subject to the same being duly executed, the Company be and is hereby authorised for the purposes of the said section 164 to purchase all of the Deferred Shares of 1p each in the capital of the Company in issue immediately following the provisions of paragraphs (E) and (F) above becoming effective (being all issued Deferred Shares arising as a result of the provisions of such paragraphs (E) and (F) above) such purchase being made in accordance with the terms of Article 5.4 of the existing Articles of Association of the Company as amended by paragraph (A) above and that, for the purposes of such Article, the Secretary of the Company be and is duly authorised and directed to

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execute such agreement on behalf of all holders of Deferred Shares, to receive the share certificates (if any) in respect of such Deferred Shares and to execute all such documents and things on behalf of the holders of Deferred Shares as shall be necessary or expedient to effect such purchase. The authorities provided by this paragraph (I) shall expire on the fifth business day after the condition of this resolution 3 is satisfied or 5 August 1995 (whichever is the earlier);

- (J) the agreement produced to the meeting marked "B" be and it is hereby authorised for the purposes of section 164 of the Act and, subject to the same being duly executed, the Company be and is hereby authorised for the purposes of the said section 164 to purchase all of the Deferred Senior Shares of 1p each in the capital of the Company in issue immediately following the provisions of paragraph (H) above becoming effective (being all Deferred Senior Shares arising as a result of the provisions of paragraph (H) above), such purchase being made in accordance with the terms of Article 5.5 of the existing Articles of Association of the Company as amended by paragraph (A) above and that, for the purposes of the said Article, the Secretary of the Company be and is duly authorised and directed to execute such agreement on behalf of all holders of the Deferred Senior Shares, to receive the share certificates (if any) in respect of such Deferred Senior Shares and to execute all such documents and things on behalf of the holders of Deferred Senior Shares as shall be necessary or expedient to effect such purchase (including without limitation paying the consideration therefor to such charity as he may determine). The authorities provided by this paragraph (J) shall expire on the fifth business day after the condition of this resolution 3 is satisfied or 5 August 1995 (whichever is the earlier);
- (K) the authorised share capital of the Company be altered pursuant to section 121 of the Act by cancelling all of the then existing authorised capital not in issue or agreed to be issued (conditionally or unconditionally and including, for the purposes hereof, pursuant to the Listing) other than the "C" Ordinary Shares;
- (L) each of the 3,500,000 "C" Ordinary Shares (issued and unissued) be and is hereby redesignated as an ordinary share of 10p having the rights set out in the Articles of Association of the Company adopted pursuant to paragraph (P) below;
- (M) immediately following the cancellation of the authorised share capital pursuant to paragraph (K) above, the authorised share capital of the Company be increased to £4,842,000 by the creation of an additional 9,920,000 new ordinary shares of 10p each (having the rights set out in the Articles of Association of the Company adopted pursuant to paragraph (P) below);
- (N) in substitution for all existing authorities other than the authorities given to them pursuant to resolutions 1(C) and 2 and paragraph (G) above, the Directors be and are hereby generally and unconditionally authorised pursuant to section 80 of the Act to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,341,999.90 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) fifteen months after the date of the passing of this resolution 3 or at the conclusion of the Annual General Meeting of the Company to be held in

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1996, whichever is the earlier, and, before such expiry, to make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement;

(O) in substitution for all existing authorities other than the authorities given to them pursuant to resolutions 1(C) and 2 and paragraph (G) above, the Directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) of the Company pursuant to the authority conferred by paragraph (N) above as if section 89(1) of the Act did not apply to such allotment provided that this power:

(i) shall expire fifteen months after the date of the passing of this Special Resolution or at the conclusion of the Annual General Meeting of the Company to be held in 1996, whichever is the earlier, save that the Company may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement; and

(ii) shall be limited to:

(a) allotments of equity where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to the Directors having a right to make exclusions or other arrangements in connection with such offering as they deem necessary or expedient:

(1) to deal with equity securities representing fractional entitlements; and

(2) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and

(b) other allotments of equity securities for cash up to an aggregate nominal amount of £175,000; and

(P) the Articles of Association in the form produced to the Meeting and initialled by the Chairman for the purposes of identification only be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all previous Articles of Association.

## Listing approval

4. **THAT:**

(A) the Directors be and are hereby duly authorised and empowered to take all such steps as shall be necessary to achieve a Listing of the Company's share capital on the

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London Stock Exchange subject only to the Listing Price in relation thereto and the number of Listing Shares to be issued thereon by the Company (and thereupon the number of such shares as shall be attributable to the Senior Preference Shareholders in accordance with resolution (3)(H) above) being approved by the holders of not less than 75% (in terms of nominal value) of the Company's issued Senior Preference Shares at the relevant time; and

- (B) in connection therewith, for the avoidance of doubt, the existing Articles of Association of the Company be further amended by the insertion of a new Article 24 to read as follows:

"24 GENERAL

None of the provisions of Articles 5, 10, 13, 14, 16 or 17 shall apply on the issue or transfer of any shares made on and in relation to a Listing."

  
Chairman