

Company Number: 2487826

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

NOVELFILE LIMITED¹

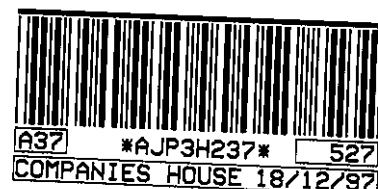
PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- (b) In these Articles the expression "The Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

ALLOTMENT OF SHARES

2. (a) Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to paragraph (d) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- (b) All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the Directors propose to issue shall first be offered to the Members in proportion as nearly as may

¹Amended by special resolution passed on 19 September 1



be to the number of the existing shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act.

- (c) In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- (d) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

SHARES

- 3. The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.
- 4. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words

"and all expenses that may have been incurred by the Company by reason of such non-payment".

GENERAL MEETINGS AND RESOLUTIONS

5. (a) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

- (b) Every notice convening 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 notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

6. (a) Clause 40 in Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence.

- (b) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting 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 General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

- (c) Clause 41 in Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

7. (a) Clause 64 in Table A shall not apply to the Company.

- (b) 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 one. Whensoever the minimum number of the Directors and the minimum number of Directors shall be one. Whensoever the minimum number of the 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 Clause 89 in Table A shall be modified accordingly.

- (c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.
- (d) No person shall be appointed a Director at any General Meeting unless either:-
 - (i) he is recommended by the Directors; or
 - (ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.
- (e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- (f) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force.

BORROWING POWERS

- 8. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

- 9. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.
- (b) A Director, or any such other person as is mentioned in Clause 65 in

Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

DISQUALIFICATION OF DIRECTORS

10. The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Clause 81 in Table A shall be modified accordingly.

GRATUITIES AND PENSIONS

11. (a) The Directors may exercise the powers of the Company conferred by Clause 3(t) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

(b) Clause 87 in Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

12. (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

INDEMNITY

13. (a) Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation hereto, including any liability incurred by him in defending any proceedings, 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 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But his Article shall only have effect in so far as

its provisions are not avoided by Section 310 of the Act.

- (b) Clause 118 in Table A shall not apply to the Company.

TRANSFER OF SHARES

- 14.
 - (a) No Member of the Company ("a Member") shall sell or dispose of any of the shares registered in his name (or any interest therein) except in accordance with the provisions of these Articles.
 - (b) The instrument of transfer of a share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor but need not be executed by or on behalf of the transferee.
- 15. Save where a transfer is made pursuant to Article 16, the right to transfer shares in the Company shall be subject to the following restrictions :-
 - (a) A Member who intends to transfer any of his shares in the Company ("the Vendor") or any interest therein shall give notice in writing to the Directors of his intention ("the Transfer Notice") specifying the shares concerned (together "the Sale Shares") and the price per share ("the Specified Price") at which he is willing to sell.
 - (b) The Transfer Notice shall constitute the Directors the agents of the Vendor for sale of the Sale Shares to the other shareholders in the Company ("holders") at the Specified Price or at the fair value fixed as hereinafter provided (whichever shall be the lower). A Transfer Notice shall not be revocable except with the sanction of the Directors.
 - (c) Within seven days after the receipt of a Transfer Notice the Directors shall offer the Sale Shares pro rata (as nearly as may be) to the other holders of shares in the capital of the Company. Any such offer shall be made by notice from the Directors specifying the number and price of the shares on offer and shall invite each of such holders to state in writing within a period not being less than twenty one days or more than forty two days whether he is willing to take any and, if so, what maximum number of the shares on offer. Provided that if a certificate of valuation is requested under paragraph (e) below the offer shall remain open for acceptance for a period of fourteen days after the date on which notice of the fair value certified in accordance with that paragraph shall have been given by the Directors to the Members. At the expiration of the time limited by the notice the Directors shall allot the shares on offer to or amongst the Members who shall have notified to the Directors their willingness to take any shares and (if more than one) as nearly as may be pro rata according to the number of shares held by such persons respectively at the date of the offer but so that no person shall be obliged to take more than the maximum number of shares so notified by him as

aforesaid.

- (d) Any of the Sale Shares on offer which are not taken up as aforesaid shall be deemed to have been declined.
- (e) Any Member may, at any time after receipt of an offer of Sale Shares, serve on the Company a notice in writing requesting that the Auditors for the time being of the Company (or at the discretion of the Auditors, a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales) certify in writing the sum which in their opinion represents the fair value per share of the Sale Shares as between a willing vendor and a willing purchaser on the basis of the aggregate value of all the issued shares of the relevant class divided by the number of such shares and provided that no account shall be taken of the fact (if such be the case) that the Sale Shares constitute a minority holding in the share capital of the Company. For the purpose of this Article reference to the Auditors shall include any person so nominated.
- (f) In so reporting the Auditors shall be considered to be acting as experts and not as arbitrators and accordingly the Arbitration Acts, 1950 to 1979 and any statutory modification or re-enactment thereof for the time being in force shall not apply. The costs of the Auditors' report shall be borne by the Company (save to the extent that the Auditors shall direct that the same be borne by the Vendor and/or the holder(s) who required the matter to be referred to them). The Directors shall use their best endeavours to procure that the Auditors report on the fair value within fourteen days of the matter being referred to them. Upon receipt of such report the Directors shall immediately give written notice of the fair value both to the Vendor and to each of the other holders.
- (g) If by the foregoing procedure the Directors shall receive acceptances in respect of any of the Sale Shares they shall give notice thereof to the Vendor and he shall thereupon become bound upon payment of the appropriate price to transfer the accepted Sale Shares to the person or persons who have accepted the same and if in any case the Vendor having become so bound makes default in so doing the Company shall receive the price and the Directors shall appoint some person to execute instruments of transfer of those of the Sale Shares concerned in favour of the relevant transferee and shall thereupon subject to such instruments being duly stamped cause the name of the relevant transferee to be entered in the Register of Members as the holder thereof and shall hold the price in trust for the Vendor. The receipt of the Company shall be a good discharge to any such transferee.
- (h) If by the foregoing procedure the Directors shall not receive acceptances in respect of all the Sale Shares they shall give notice thereof to the Vendor and (so long as the Transfer Notice has not been withdrawn as

provided above) the Vendor shall be at liberty within 90 days thereafter to transfer all or any of the unaccepted Sale Shares to any person or persons at any price not less than the lower of the Specified Price and, if the matter has been referred to the Auditors as aforesaid, the fair value as reported by them.

- (i) The provisions of this Article may be waived in any particular case if all the shareholders of the Company give their consent in writing.
 - (j) In the event that any shares are registered in the names of joint holders, the senior shall for the purposes of this Article 15 be deemed to be the Vendor in the event of any Transfer Notice being served in respect of the shares for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
 - (k) Notwithstanding the provisions of this Article 15 the Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a share, whether or not it is fully paid, and the first sentence of Regulation 24 in Table A shall not apply to the Company.
16. Notwithstanding the provisions of Article 15 the Directors shall be bound to approve for registration :-
- (a) the transfer of any share by a Member to the spouse and any issue, parent, son-in-law, daughter-in-law, brother or sister of that Member and a trustee of any trust of which any such persons are the sole beneficiaries. Provided that thereafter there shall be no variation of any such trust regarding the identity of the beneficiaries thereunder;
 - (b) the transfer of any share by a Member to a body corporate which is a subsidiary or holding company (as defined by Section 736 of the Companies Act) of such Member or a subsidiary of any such holding company Provided always that the transferee gives an undertaking to the Company that, in the event of any such transferee ceasing to be controlled directly or indirectly by such holding company or such Member and immediately prior to it so ceasing, such shares shall be transferred to another body corporate so controlled by the ultimate parent company or by such Member (as the case may be); and
 - (c) the transfer of any share made with the prior consent in writing of all the Members of the Company for the time being other than the transferor.

Provided that prior to any such registration the proposed transferee of any such share shall have executed a Deed of Adherence to the Shareholders Agreement dated on the date of adoption of this Article and made between L E Smith (1) P J Hutchinson (2) and the Company (3) in the form prescribed by such Agreement.