

Company No.2661275

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

THE GAYMER GROUP EUROPE LIMITED

Incorporated on
7 November, 1991

ADOPTED BY SPECIAL RESOLUTION
passed on 28th February, 1993
and amended on 24th July, 1992 and 1st December, 1993

Wilkinson

**Burges Salmon
Solicitors**



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Company No: 2661275

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ARTICLES OF ASSOCIATION
OF
THE GAYMER GROUP EUROPE LIMITED

DEFINITIONS

1. In the interpretation of these Articles unless the context otherwise requires the following words and expressions shall bear the meanings set opposite them:-

"A" Director"	a director appointed pursuant to Article 145.
"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 any "A" Ordinary Shares.
"A" Preferred Share"	a cumulative convertible participating "A" preferred ordinary share of 1p in the capital of the Company as hereinafter provided.
"A" Relevant Number"	as calculated pursuant to Article 27, 28, 33 or 34, as the case may be.
"the Act"	the Companies Acts 1985 and 1989 and every statutory modification or re-enactment thereof for the time being in force.
"Adjusted Profits"	the aggregate of the consolidated net profits before tax, Preference Dividends, Preferred Dividends, any dividend payable on the Ordinary Shares and extraordinary items of the Company and its subsidiary undertakings (if any) as shown by the accounts of the Company drawn up in accordance with generally accepted accounting principles in the United

	Kingdom and prepared under the historical cost basis adjusted by the exclusion of any such profit or loss for the year attributed to minority interests in subsidiary undertakings (if any)
"Auditors"	the auditors of the Company from time to time.
"B" Ordinary Share"	a "B" ordinary share of 1p in the capital of the Company as hereinafter provided.
"B" Ordinary Shareholder"	a holder for the time being of any "B" Ordinary Shares.
"B" Preferred Share"	a cumulative convertible "B" preferred ordinary share of 1p in the capital of the Company as hereinafter provided.
"B" Relevant Number"	as calculated pursuant to Article 37
"Candover Director"	a director appointed pursuant to Article 140.
"Chairman"	a chairman of the board of directors appointed pursuant to Article 144.
"CINVen"	means CIN Venture Managers Limited, of Hobart House, Grosvenor Place, London SW1X 7AD the Company which advises the members of the CINVen Group and manages the investments made by them
"CIN Defined Group"	means those Subscribers (as defined in the Subscription Agreement) for whom CINVen at the relevant time acts as agent being at the date of this Agreement CIN Venture Nominees Limited, Barclays Venture Nominees Limited, Railway Pension Investments Limited and CIN Investors Nominees Limited and references to any member of the CIN Defined Group shall unless the context otherwise requires include any nominee or trustee, whether directly or indirectly, holding shares for the same beneficiaries as such member of the CIN Defined Group
"CIN Director"	a director appointed pursuant to Article 143.

"co-investment scheme"	a scheme whereby certain officers, employees or partners of a fund (or of its managers or advisers) are entitled (as individuals or through a company or any other vehicle), inter alia, to acquire, by transfer or subscription, shares which that fund would otherwise become or be entitled to acquire.
"Company"	The Gaymer Group Europe Limited.
"Connected Person"	as defined by Section 839 Income and Corporation Taxes Act 1988 (save that for the purposes of that section the term "control" shall have the meaning given by Section 840 or Section 416 of the said act so that there shall be control whenever either of the said sections would so require).
"Controlling Interest"	shares conferring in the aggregate over 25 per cent. 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 of the Company and shall include shares held by all persons who in relation to each other are Connected Persons or persons acting in concert.
"Deferred Shares"	a deferred share of 1p in the capital of the Company as hereinafter provided.
"Directors"	the directors from time to time of the Company.
"Employee Trust"	the Company's employees' share scheme in the form approved pursuant to the Subscription Agreement.
"Equity share capital"	the Ordinary Shares and the Preferred Shares.
"Facility Agreement"	the agreement for the provision by (inter alia) Barclays Bank PLC, National Westminster Bank PLC and The Governor and Company of the Bank of Scotland of a term loan facility, revolving facility and working capital facility entered into on or about 28th February 1992 together with any document or paper executed or required to be delivered pursuant thereto and/or any variation or replacement of every such agreement from time to time.

"fund"	any bank, investment trust or investment company (within the meaning of Chapter 3 of Section 10 of the rules governing admission of securities to listing issued by the Stock Exchange), unit trust, building society, industrial provident or friendly society, any other collective investment scheme (as defined by the Financial Services Act 1986), any business investor (as defined by the Financial Services (Glossary and Interpretation) Rules and Regulations 1990), partnership, pension fund or insurance company or any person who is an authorised person under the Financial Services Act 1986, any subsidiary undertaking of a fund and any co-investment scheme in relation to a fund.
"Further Subscriber"	a person who subscribes for Preference Shares and/or Preferred Shares and/or purchases "B" Ordinary Shares prior to the first anniversary of the date of the Subscription Agreement (other than the Subscribers as defined in the Subscription Agreement).
"Group"	the Company and its subsidiary undertakings from time to time.
"Instruction Letter"	the letter of instruction from the Company to the Auditors in relation to the preparation of the consolidated accounts of the Company for the seven month period ending on 30th September in each year in the form agreed by the Company.
"L&G Defined Group"	Legal & General Assurance Society Limited, any of its subsidiary undertakings, any partnerships (whether limited or otherwise) of which it or any of its such undertakings are partners (whether general or otherwise) any other partner in any such partnership and any fund of which it, or any of its such undertakings, is trustee or manager and a members of or unit holder in any such fund.
"Listing"	either:- (a) the admission of any of the Company's shares to the Official List of the Stock Exchange and such admission becoming effective; or (b) the granting of an application by the Company for permission to deal in any of

	the Company's shares on the Unlisted Securities Market of the Stock Exchange or on any recognised investment exchange (as such term is used in the Financial Services Act 1986) and such permission becoming effective.
"Listing Date"	the date of publication of listing particulars (as the term is used in Part IV of the Financial Services Act 1986) or of a prospectus (as the term is used in Part V of the Financial Services Act 1986 or the Act as appropriate) published in connection with a Listing.
"Market Capitalisation"	<p>(a) (in relation to a Listing) the price per share at which any ordinary shares of the Company are sold, offered to be sold or offered at a Listing Date in connection with Listing (in the case of an offer for sale, being the underwritten price or, if an offer for sale by tender, the striking price under such offer and in the case of a placing, being the price at which ordinary shares are sold under the placing) multiplied by the number of Relevant Ordinary Shares at the relevant time; or</p> <p>(b) (in relation to a Sale of Shares) the Specified Price in relation to such Sale multiplied by the number of Relevant Ordinary Shares in issue at the relevant time and calculated after assuming (i) the discharge of all sums outstanding under the Facility Agreement and Mezzanine Agreement and of any borrowings falling to be repaid upon such Sale (ii) that the Preference Shares will be transferred pursuant to Articles 114 to 120, and (iii) the payment of a sum equal to all arrears, deficiencies or accruals of the Preferred Shares and of the dividend payable to the Ordinary Shareholders pursuant to Articles 49 and 54; or</p> <p>(c) (in relation to a Sale of Assets) the price payable for the undertaking to be sold, excluding the amount payable to discharge any borrowings falling to be repaid upon such Sale, after tax on the sale proceeds.</p>
"Mezzanine Agreement"	the mezzanine facility agreement dated on or about 28th February 1992 between the Company, Mithras Investment Trust PLC, Legal and General Life Assurance Society Limited and Legal and General Ventures

	Limited together with any document or paper executed or required to be delivered pursuant thereto and/or any variation or replacement of every such agreement from time to time.
"Non-Executive Directors"	the Candover Director, the Chairman and the Special Director.
"Ordinary Shares"	the "A" Ordinary Shares and the "B" Ordinary Shares.
"Ordinary Shareholder"	a holder for the time being of any "A" Ordinary Shares or "B" Ordinary Shares.
"ordinary shares of the Company"	the issued shares of the Company from time to time excluding those shares which, neither as respects dividends nor as respects capital, carry any right to participate beyond a specified amount in a distribution and excluding (without limitation) the Preference Shares and the Deferred Shares.
"persons acting in concert"	shall have the same meaning as in the City Code on Takeovers and Mergers in force from time to time save that persons who come to an agreement or understanding to obtain or consolidate control shall be within this definition even if none of them acquired shares at the time of reaching such agreement or understanding provided at least one of them already holds shares.
"Preference Dividend"	as defined in Article 7.
"Preference Dividend Payment Date"	as defined in Article 7.
"Preference Share"	a redeemable cumulative preference share of 90p in the capital of the Company as hereinafter provided.
"Preference Shareholder"	a holder for the time being of any Preference Shares.
"Preferred Dividend"	as defined in Articles 22 and 26.
"Preferred Dividend Payment Date"	as defined in Article 22.
Preferred Shares"	the "A" Preferred Shares and the "B" Preferred Shares.
"Preferred Shareholder"	a holder for the time being of any Preferred Shares.

"Qualifying Offer"	as defined in Article 114.
"Redemption Date"	as defined in Article 12, 18, 19 and 20 as appropriate.
"Relevant Ordinary Shares"	the ordinary shares of the Company in issue at the time of the relevant Sale of Shares or Listing (after any related conversion of Preferred Shares pursuant to Articles 27, 28, 33 or 34) but excluding, in the case of a Listing any shares issued for the purposes of raising money for the Company as part of the Listing arrangements (whether in order to finance the redemption of shares or the repayment of loans or for any other reason whatsoever).
"Relevant Profits"	the aggregate of the consolidated net profits before tax, Preference Dividends, Preferred Dividends and extraordinary items of the Company and its subsidiary undertakings (if any) for the financial periods ending on 30th September 1992 and 28th February in 1993, 1994, 1995 and 29th February in 1996 as shown by the audited consolidated accounts of the Company drawn up in accordance with generally accepted accounting principles in the United Kingdom and prepared under the historical cost basis adjusted by the exclusion of any such profit or loss for the period attributed to minority interests in subsidiary undertakings (if any) or, if this definition is relevant before the publication of the Company's audited consolidated accounts for the financial year ending 29th February 1996, for such financial periods of the Company in respect of which audited consolidated accounts have been published.
"Sale"	a Sale of Shares or a Sale of Assets.
"Sale of Assets"	the disposal of the whole or substantially the whole of the undertaking of the Group other than to wholly owned subsidiaries of the Company.
"Sale of Shares"	the sale, transfer or other disposal in one transaction or a series of transactions to one person or to persons acting in concert (as herein defined) of a beneficial interest in at least 90 per cent. of the Preferred Shares and Ordinary Shares in issue from time to time (after conversions as a result thereof in accordance with the provisions of these Articles).

"Shareholder"	an Ordinary Shareholder, Preferred Shareholder, a Preference Shareholder or a holder of Deferred Shares.
"Shareholder-related Contract"	any contract, agreement, arrangement or transaction, including (but without limitation) contracts of employment or for 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 undertaking which is from time to time a group undertaking of the Company.
"Special Committee"	a committee of the Board comprising the Non-Executive Directors and the Company's chief executive from time to time.
"Special Director"	a director appointed pursuant to Article 142.
"Specified Price"	as defined in Article 117.
"Stock Exchange"	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.
"Subscription Agreement"	the Subscription and Shareholders Agreement dated on or about 28th February 1992 relating to (inter alia) the subscription for shares in the Company between the Company (1) J.L. Wilkinson and others (2) Candover Investments plc and others (3) (as amended from time to time).
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Table A to F) Amendment Regulations 1985.
"Transfer Changing Control"	as defined in Article 114.
"Transfer Notice"	as defined in Article 86 and 95 as appropriate.

2. Headings are used in these Articles for convenience only and shall not affect their construction or interpretation.
3. In these Articles, unless the context does not so admit and subject as expressly provided herein:-
 - (a) reference to an individual shall include his personal representatives;

- (b) reference to the masculine includes a reference to the feminine and neuter and vice versa;
- (c) words and expressions defined in the Act shall have the same meanings herein;
- (d) in relation only to undertakings other than undertakings with share capital, references to shares shall have the meaning given by section 259(2) of the Act;
- (e) without prejudice to the provisions of section 738 of the Act, the expressions "paid-up" or "paid up value" as used in relation to any part of the share capital of the Company shall mean the total amount paid up, or credited as paid up, on the relevant shares including, save in Article 22 and 54 any premium paid up, or credited as paid up, thereon.

References in Articles 27 to 42 to Preferred and Ordinary Share capital shall mean the aggregate nominal value of the Preferred Shares and Ordinary Shares.

TABLE A

- 4. The provisions contained herein, together with the regulations contained in Table A (save insofar as such regulations are excluded or modified hereby), shall be the articles of association of the Company. The first sentence of regulation 24, regulations 35, 64, 73-77 inclusive, 80 and 87, the final sentence of regulation 112 and regulations 115 and 118 of Table A shall not apply to the Company.

PRIVATE COMPANY

- 5. The Company is a private company and accordingly any invitation offering to the public for subscription or purchase any shares in or debentures of the Company is prohibited.

SHARE CAPITAL

- 6. The authorised share capital of the Company at the date of adoption of these Articles is £38,727,000 divided into 500,000 "A" Ordinary Shares, 400,000 "B" Ordinary Shares, 1,600,000 "A" Preferred Shares, 200,000 "B" Preferred Shares, and 43,000,000 Preference Shares.

RIGHTS OF THE PREFERENCE SHARES

As regards income

- 7. The Preference Shares shall confer on the holders thereof the right to receive, in priority to the transfer of any sum to reserves or any 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 (together with the benefit of any associated tax credit) in respect of the periods set out below (all dates inclusive):

4 per cent. from 28th February 1992 to 30th September 1992;

6 per cent. from 1st October 1992 to 30th September 1993;

12 per cent. from 1st October 1993 and thereafter

in each case on the total amount of the capital for the time being paid up thereon. The Preference Dividend shall accrue from day to day and be paid half-yearly on 15th February and 15th August in each year (a "Preference Dividend Payment Date") in respect of the half-years ending on 30th September and 31st March respectively out of the profits of the Company available for distribution provided that the first such payment shall be made on 15th February 1993 (also a Preference Dividend Payment Date) and shall be calculated in respect of the period from 28th February 1992 up to and including 30th September 1992 (notwithstanding the fact (if the case) that any such shares were not in issue throughout the whole of that period). Any amount not so paid shall be carried forward and be payable in priority to the Preference Dividend payable on any later date.

8. The rate at which the Preference Dividend is payable shall be a rate per annum compounded with rests on the Preference Dividend Payment Dates, and the amount payable in respect of an overdue dividend shall be increased accordingly.
9. So far as it is legally able to do so, the Company shall procure the distribution to the Company in respect of each financial year by way of dividend or reduction of capital of sufficient of the profits of its subsidiary undertakings (if any) to enable the Company to pay the Preference Dividend.

As regards capital

10. On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst its 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:-
 - (a) first, the total amounts paid up on the Preference Shares held by them; and
 - (b) secondly, a sum equal to any accruals, arrears or deficiency of the Preference Dividend in respect of the Preference Shares held by them 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.

Further participation

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

As regards redemption

12. Subject to the provisions of the Act the Company shall redeem for cash at a sum equal to the total amount paid up thereon on the following dates the following proportions in nominal value of the Preference Shares then outstanding namely

31st December 1996: one fifth

31st December 1997: one quarter of the balance then outstanding

31st December 1998: one third of the balance then outstanding

31st December 1999: one half of the balance then outstanding

31st December 2000: the balance then outstanding

Each such date is referred to as a "Redemption Date".

13. Each such redemption of some but not all of the Preference Shares shall be made amongst the holders thereof pro-rata as nearly as possible to their then holdings of Preference Shares.
14. Upon the Redemption Date the paid up value of the Preference Shares to be redeemed and any Preference Dividend accrued thereon (whether declared or earned or not) ("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 Preference Shareholder.
15. On redemption the Company shall cancel the share certificate of the shareholder concerned and, in the case of a redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.
16. As from the relevant 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.
17. The Company shall establish a Preference Share Capital redemption reserve and shall (unless the consent of the holders of not less than 75 per cent of the Preference Shares has been obtained in a class meeting or in writing) transfer at the end of each financial year to such reserve out of the profits available for distribution after payment of the Preference Dividend and the Preferred Dividend such amount as may be necessary so that the reserve is not less than $N \times \text{£}8.6$ million where "N" equals the number of completed years of the Company since 1st January 1992 provided that such reserve need not exceed the aggregate of the total amount from time to time payable on redemption on the Preference Shares then outstanding. Such reserve shall be used solely for the purposes of redeeming the Preference Shares and shall not be used for any other purpose save with the consent of the holders of not less than 75 per cent. of the Preference Shares in class meeting or in writing.

Early Voluntary Redemption by the Company

18. With the prior written consent of the holders of a majority in nominal value of the Preference Shares then in issue, the Company may at any time redeem all the Preference Shares then outstanding or tranches of not less than 500,000 Preference Shares by serving notice of such redemption upon the Preference Shareholders specifying a date upon which redemption is to take place being not less than 14 days

nor more than 30 days from the date of such notice and stating the number of Preference Shares held by each such Preference Shareholder to be redeemed. The provisions of Articles 13 to 16 inclusive shall have effect mutatis mutandis to such redemption save that the Redemption Date shall be that specified in the said notice.

Redemption on a Listing

19. The Company shall redeem all the outstanding Preference Shares immediately prior to a Listing. The provisions of Articles 13 to 16 inclusive shall have effect mutatis mutandis to such redemption save that the Redemption Date shall be the date immediately prior to such Listing and the payment of the redemption monies shall be forthwith upon Listing.

Early redemption by Preference Shareholders

20. The Preference Shareholders shall be entitled by notice in writing to the Company given by the holders of 75 per cent of the Preference Shares to require redemption of all or any of the Preference Shares then in issue in the event that:-

- (a) any Preference Dividend shall not have been paid on a Preference Dividend Payment Date whether or not such dividend shall have been declared or earned or otherwise in law be capable of being paid by the Company and such Preference Dividend has remained unpaid for a period of more than six months; or
- (b) any amount due on redemption of any Preference Shares shall not have been paid on the relevant Redemption Date whether or not sufficient profits or other funds are in law available for such redemption and such redemption monies have remained unpaid for a period of six months or more; or
- (c) any sum shall be declared repayable pursuant to the Facility Agreement or the Mezzanine Agreement by reason of any Event of Default (as defined therein)

and the provisions of Articles 13 to 16 inclusive shall have effect in relation to such redemption mutatis mutandis save that the Redemption Date shall be the date of such notice (or such later date as is stated in such notice). The Preference Shareholders shall be entitled by notice in writing to the Company given by the holders of a majority of the Preference Shares to withdraw in whole or in part any notice requiring redemption before such redemption has taken place.

As regards voting

21. (A) In General Meeting

Preference Shareholders shall be entitled by virtue of their holdings of Preference Shares to receive notice of and to attend and speak but not to vote at all general meetings of the Company unless the Company (at the date when the notice convening such general meeting is sent to members):-

- (a) shall not have paid the Preference Dividend on a Preference Dividend Payment Date whether or not such dividend shall have been declared or earned or otherwise be in law capable of being paid by the Company and such Preference Dividend has remained unpaid for a period of more than six months; or

- (b) shall not have paid the redemption moneys in respect of any Preference Shares on a Redemption Date whether or not sufficient profits or other funds are in law available for such redemption and such redemption monies have remained unpaid for a period of six months or more; or
- (c) the business of the meeting includes a resolution for the liquidation of the Company, a reduction of the capital of the Company or a resolution directly or adversely altering or abrogating any of the special rights and privileges attaching to the Preference Shares; or
- (d) shall be in material breach of Articles 44 or 129 to 134; or
- (e) shall be in breach of any provisions of the Facility Agreement or the Mezzanine Agreement and such breach, if capable of remedy, remains unremedied for a period of 21 days

when the Preference Shareholders shall be entitled, if a majority of the Preference Shareholders shall have notified the Company in writing of their wish to exercise such entitlement, to receive notice of, to attend and until payment or remedy of the breach (as the case may be) 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 each Preference Shareholder shall have one vote for every Preference Share of which he is the holder.

(B) Class Consents

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares, the consent or sanction of the holders of the Preference Shares (given in accordance with the provisions of these Articles) shall be required:-

- (1) to the creation, allotment or issue of any shares or securities by the Company ranking as regards the final date of redemption or participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares or to the grant of any right to require the allotment or issue of the same (other than the creation, allotment or issue of any shares or securities on the date of adoption of these Articles);
- (2) to amend the provisions of Articles 104, 114 to 120 and 129 to 134; and
- (3) to the payment of any dividend to the holders of the Preferred Shares, the "A" Ordinary Shares or the "B" Ordinary Shares after the Company shall have failed or shall have been unable to redeem such of the Preference Shares to be redeemed on the relevant dates specified in Article 12 or shall have failed or shall have been unable to redeem all of the Preference Shares not previously redeemed forthwith upon the happening of any of the events specified in Article 20 but only in each case whilst such Preference Shares remain unredeemed.

RIGHTS OF THE PREFERRED SHARES

As regards income : "A" Preferred Shares

22. The "A" Preferred Shares shall confer on the holders thereof the right to receive, in priority to the transfer of any sum to reserves or any rights of the holders of any other class of shares in the capital of the Company (other than the Preference Shares) and pari passu with the holders of the "B" Preferred Shares and payable without any resolution of the Directors or of the Company, a cumulative preferential dividend ("Preferred Dividend") of such sum as shall equal the aggregate of:
- (a) £120,000 per annum (together with the benefit of any associated tax credit) the same to be distributed amongst them according to the amounts paid up or credited as paid up thereon to accrue from day to day and be paid half-yearly on 1st April and 1st October in each year ("a Preferred Dividend Payment Date") in respect of the half years ending on the immediately preceding day out of the profits of the Company available for distribution provided that the first such payment shall be made on 1st October 1992 (also a Preferred Dividend Payment Date) and shall be calculated from 28th February 1992 up to and including 30th September 1992 (notwithstanding the fact (if the case) that any such shares were not in issue throughout the whole of that period); and
 - (b) the amount (if any) by which 8 per cent. of the Adjusted Profits for the relevant twelve month period ending 30th September in each year (as shown by a statement prepared by the Auditors based upon the relevant audited consolidated accounts of the Company for the financial period ending 28th February and the relevant consolidated accounts of the Company for the seven month period ending on 30th September prepared in accordance with the Instruction Letter) exceeds the aggregate sum referred to in (a) above (together with the benefit of any associated tax credit) the same to be distributed amongst them according to the amounts paid up or credited as paid up thereon and to be payable not later than the date falling 15 days after the earlier of:
 - (i) 31st January next following the end of the relevant twelve month period; and
 - (ii) the date on which the statement as to the Adjusted Profits for the 12 month period is signed off by the Auditors.
23. If any Preferred Dividend (or any part thereof) is not paid on the appropriate Preferred Dividend Payment Date or upon the date provided for in Article 22(b), the amount not so paid shall be carried forward and be payable in priority to the Preferred Dividend payable on any later date.
24. To the extent that any part of the Preferred Dividend calculated pursuant to Article 22 becomes overdue, the amount payable in respect of such overdue dividend shall be increased at the rate of 8 per cent per annum compounded with rests on the Preferred Dividend Payment Dates.
25. So far as it is legally able to do so, the Company shall procure the distribution to the Company in respect of each financial year by way of dividend or reduction of capital, of sufficient of the profits of its subsidiary undertakings (if any) to enable the Company to pay the Preferred Dividend.

26. As regards income: "B" Preferred Shares

The "B" Preferred Shares shall confer on the holders thereof the right to receive, in priority to the transfer of any sums to reserves or any rights of the holders of any other class of shares in the capital of the Company (other than the Preference Shares) and pari passu with the holders of the "A" Preferred Shares and payable without any resolution of the Directors or of the Company, a cumulative preferential dividend ("Preferred Dividend") of 8 per cent per annum (together with the benefit of any associated tax credit) of the aggregate of the amount paid up or credited as paid up on the "B" Preferred Shares the same to be distributed amongst them according to the amounts paid up or credited as paid up thereon to accrue from day to day and be paid half-yearly on each Preferred Dividend Payment Date in respect of the half years ending on the immediately preceding day out of the profits of the Company available for distribution provided that the first such payment shall be made on 1st October 1992 and shall be calculated from 28th February 1992 up to and including 30th September 1992 (notwithstanding the fact (if the case) that any such shares were not in issue throughout the whole of that period.

The provisions of Articles 23 to 25 shall apply mutatis mutandis to the Preferred Dividend to which the holders of "B" Preferred Shares are entitled.

As regards conversion: Positive Ratchet

27. In the event that there is a Sale or Listing prior to 30th June 1996, the "A" Preferred Shares shall be converted on the day immediately before but conditional upon such Sale or Listing into the "A" Relevant Number of "A" Ordinary Shares and the "B" Preferred Shares shall simultaneously be converted into the "B" Relevant Number of "A" Ordinary Shares. The "A" Relevant Number shall be the lower of:
- (a) the number determined pursuant to Article 30; and
 - (b) the number determined pursuant to Article 31.
28. If there has been no Sale or Listing prior to 30th June 1996, the "A" Preferred Shares shall on the publication of the audited consolidated accounts of the Company for the financial year ending 29th February 1996 be converted into the "A" Relevant Number of "A" Preferred Shares and the "B" Preferred Shares shall simultaneously be converted into the "B" Relevant Number of "B" Preferred Shares. The "A" Relevant Number shall be the number determined pursuant to Article 31.
29. The provisions of Articles 30 and 31 shall only apply in the event that:-
- (a) there are no arrears of the Preference Dividend or the Preferred Dividend whether or not such dividends shall have been declared or earned or otherwise be in law capable of being paid by the Company;
 - (b) all redemption moneys payable in respect of any Preference Shares due to be redeemed on a Redemption Date falling on or before the date of the Sale or Listing have been duly paid;
 - (c) in the case of the provisions of Article 30, upon the Sale or Listing the Market Capitalisation is in excess of the following figures

Date of Sale or Listing	Minimum Market Capitalisation (£)
Between 1st July 1993 and 15th July 1994 inclusive ("Year 3")	110,000,000
Between 16th July 1994 and 30th June 1995 inclusive ("Year 4")	154,000,000
Between 1st July 1995 and 30th June 1996 inclusive ("Year 5")	179,000,000

or the Relevant Profits for all financial years of the Company up to the latest financial year in respect of which audited consolidated accounts have been published are in excess of the following figures

Date of Sale or Listing	Minimum Relevant Profits (£)
Between 1st July 1992 and 30th June 1993 ("Year 2")	9,100,000
In Year 3	31,300,000
In Year 4	58,600,000
In Year 5	89,000,000

- (d) in the case of the provisions of Article 31, if the Relevant Profits for all financial years of the Company in respect of which audited consolidated accounts have been published are, in the circumstances described in Article 27, in excess of the figures set out in paragraph (c) opposite the year of Sale or Listing or, in the circumstances described in Article 28, if the Relevant Profits for all financial years of the Company ending on 29th February 1996 are in excess of £89,000,000

The Market Capitalisation Ratchet: Positive

30. In the circumstances described in Article 27 and provided that the conditions in Article 29 are met, the "A" Relevant Number shall be x where $x = y - 200,000$ and y is the number of shares which would after the conversions represent the percentage of the enlarged or reduced Preferred and Ordinary Share capital (after the simultaneous conversion of "B" Preferred Shares) set out in column (1) below opposite the relevant Market Capitalisation at the time of Sale or Listing as is set out in column (2) below, and such percentage shall be adjusted pro rata for any Market Capitalisation between those values shown in column (2):

(2) Market Capitalisation

(1) % of the Preferred and Ordinary Share Capital	(£)		
	In Year 3	In Year 4	In Year 5
72	110,000,000	154,000,000	179,000,000
62	137,500,000	192,500,000	223,750,000
57	140,250,000 or more	196,400,000 or more	228,200,000 or more

The Profit-Related Ratchet: Positive

31. In the circumstances described in Articles 27 and 28 and provided that the conditions in Article 29 are met, the "A" Relevant Number shall be x where $x = y - 200,000$ and y is the number of shares which would after the conversions represent a percentage of the enlarged or reduced Preferred and Ordinary Share capital determined under paragraph a) below or paragraph b) below, as appropriate

- (a) in the case that the provisions of Article 27 apply, the percentage of the Preferred and Ordinary Share capital (after the simultaneous conversion of "B" Preferred Shares) set out in column (1) below opposite the Relevant Profits applicable to the Year in which the Sale or Listing takes place set out in column (2) below, and such percentage shall be adjusted pro rata for Relevant Profits between those values shown in column (2):

(1) % of Preferred and Ordinary Share Capital	(2) Relevant Profits (£)			
	Year 2	Year 3	Year 4	Year 5
72	9,100,000	31,300,000	58,600,000	89,000,000
62	11,400,000	39,100,000	73,300,000	111,300,000
57	11,600,000	39,900,000	74,700,000	113,500,000

- (b) in the case that the provisions of Article 28 apply, the percentage which shall determine y shall be the percentage of the enlarged or reduced Preferred and Ordinary Share capital (after the simultaneous conversion of "B" Preferred Shares) set out in column (1) below opposite the Relevant Profits set out in column (2) below, and such percentage shall be adjusted pro rata for Relevant Profits between those values shown in column (2):

(1) % of Preferred and Ordinary Share Capital	(2) Relevant Profits (£)
72	89,000,000
62	111,300,000
57	113,500,000 or more

Negative Ratchet

32. The provisions of Articles 33 and 34 shall only apply in the event that the conditions set out in Article 29(c) or (d) are not met.
33. Subject to Article 32, in the event there is a Sale or Listing prior to 30th June 1996 the "A" Preferred Shares shall be converted on the day immediately before but conditional upon such Sale or Listing into the "A" Relevant Number of "A" Ordinary Shares and the "B" Preferred Shares shall simultaneously be converted into the "B" Relevant Number of "A" Ordinary Shares. The "A" Relevant Number shall be the lower of:
- (a) the number determined pursuant to Article 35; and
 - (b) the number determined pursuant to Article 36.
34. Subject to Article 32, if there has been no Sale or Listing prior to 30th June 1996, the "A" Preferred Shares shall on the publication of the audited consolidated accounts of the Company for the financial year ending 29th February 1996 be converted into the "A" Relevant Number of "A" Preferred Shares and the "B" Preferred Shares shall simultaneously be converted into the "B" Relevant Number of "B" Preferred Shares. The "A" Relevant Number shall be the number determined pursuant to Article 36.

The Market Capitalisation Ratchet: Negative

35. In the circumstances described in Article 33 the "A" Relevant Number shall be x where $x = y - 200,000$ and y is the number of shares which would after the conversions represent the percentage of the enlarged Preferred and Ordinary Share capital (after the simultaneous conversion of "B" Preferred Shares) set out in column (1) below opposite the relevant Market Capitalisation at the time of Sale or Listing as is set out in column (2) below, and such percentage shall be adjusted pro rata for any Market Capitalisation between those values shown in column (2):

(1) % of Preferred and Ordinary Share Capital	(2) Market Capitalisation (£)		
	In Year 3	In Year 4	In Year 5
72	110,000,000	154,000,000	179,000,000
82	82,500,000 or less	115,500,000 or less	134,250,000 or less

The Profit-Related Ratchet: Negative

36. In the circumstances described in Articles 33 and 34 the "A" Relevant Number shall be x where $x = y - 200,000$ and y is the number of shares which would after the conversions represent a percentage of the enlarged Preferred and

Ordinary Share capital determined under paragraph a) below or paragraph b) below, as appropriate

- (a) in the case that the provisions of Article 33 apply, the percentage which shall determine y shall be the percentage of the enlarged Preferred and Ordinary Share capital (after the simultaneous conversion of "B" Preferred Shares) set out in column (1) below opposite the Relevant Profits applicable to the Year in which the Sale or Listing takes place set out in column (2) below, and such percentage shall be adjusted pro rata for Relevant Profits between those values shown in column (2)

(1) % Preferred and Ordinary Share Capital	(2) Relevant Profits (£)			
	Year 2	Year 3	Year 4	Year 5
72	9,100,000	31,300,000	58,600,000	89,000,000
82	6,800,000 or less	23,500,000 or less	44,000,000 or less	66,800,000 or less

- (b) in the case that the provisions of Article 34 apply, the percentage which shall determine y shall be the percentage of the enlarged Preferred and Ordinary Share capital (after the simultaneous conversion of "B" Preferred Shares) set out in column (1) below opposite the Relevant Profits set out in column (2) below, and such percentage shall be adjusted pro rata for Relevant Profits between those values shown in column (2)

(1) % of Preferred and Ordinary Share Capital	(2) Relevant Profits (£)
72	89,000,000
82	66,800,000

37. The "B" Relevant Number shall be such number that on the simultaneous conversion of all the "B" Ordinary Shares and the simultaneous conversion of "A" Preferred Shares pursuant to Articles 27, 28, 33 or 34 represents 8 per cent of the enlarged or reduced Preferred and Ordinary Share capital.
38. The aggregate number of any class of shares which convert under Articles 27, 28, 33 or 34 shall be apportioned as nearly as practicable pro rata amongst the holders of the shares of the relevant class.
39. On a Sale or Listing the Preferred Shareholders shall be paid a sum equal to any accruals of the Preferred Dividend calculated down to the date of conversion and to be payable irrespective of whether or not such dividend has been declared or earned. If conversion takes place other than on a Sale or Listing and results in fewer Preferred Shares being in issue, the holders of the Preferred Shares shall be paid upon conversion the Preferred Dividend which has accrued in respect of the Preferred Shares converted. In the event that the Company is unable to pay such amounts then such amounts shall remain due and owing to those Preferred Shareholders.

40. The certificate of the auditors of the Company (acting as experts and not as arbitrators) as to the "A" Relevant Number and "B" Relevant Number shall (save in the case of manifest error) be conclusive and binding on the Company and its members.

Conversion of the Preferred Shares may be effected in such manner as the Board, with the approval of the Candover Director, shall from time to time decide (subject to the provisions of the Act), including by conversion of the appropriate number of such shares into Deferred Shares, by the allotment by way of capitalisation of reserves or share premium account of such number of additional Preferred Shares as is required, or by redemption, and the Shareholders shall take all such steps and do all such acts (including the passing of any resolutions at General Meetings of the Company or of any class of shares) as shall be necessary or desirable to give effect to the Board's decision. For the avoidance of doubt the Shareholders may not exercise their rights under Articles 44, 45 or 53 in such a way as to prevent the implementation of the Board's decision.

In the case of a conversion effected by means of a redemption the Board may effect redemption of the relevant Preferred Shares out of profits of the Company which would otherwise be available for distribution, out of the proceeds of a fresh issue of shares made for the purpose of such redemption or in any other manner for the time being permitted by law.

41. Upon conversion becoming effective the Company shall be obliged to:-
- (a) convene such meetings, seek such authorities and make such amendments to these Articles as may be requisite; and
 - (b) issue substitute share certificates for the any shares arising on such conversion.
42. Any Preferred Shares arising on conversion shall carry the right to receive in full all dividends and other distributions declared made or paid on the Preferred Shares by reference to a record date falling on or after the date of conversion and shall, in all other respects, rank pari passu with the Preferred Shares then in issue.
- 42A On a Sale or Listing after the implementation of the provisions of Article 28 or 34 the Preferred Shares and the "B" Ordinary Shares shall be simultaneously converted on the day immediately before but conditional upon such Sale or Listing on a one for one basis into "A" Ordinary Shares.
- 42B Any "A" Ordinary Shares arising on conversion shall carry the right to receive in full all dividends and other distributions declared or made or paid on the "A" Ordinary Shares by reference to a record date falling on or after the date of conversion and shall, in all other respects, rank pari passu with the "A" Ordinary Shares then in issue.

As regards voting

43. Preferred Shareholders shall be entitled by virtue of their holdings of Preferred Shares to receive notice of and to attend and speak and to vote at all general meetings of the Company. On a show of hands each Preferred Shareholder present in person or by proxy shall have one vote. On a poll each holder of an "A" Preferred Share shall have 1.125 votes for each "A" Preferred Share of which he is the holder until the publication of the audited consolidated accounts of the Company for the year ending 29th February 1996, from which time he shall have one vote for each "A"

Preferred Share of which he is the holder. On a poll each holder of a "B" Preferred Share shall have one vote for every "B" Preferred Share of which he is the holder.

Matters requiring consent: Preferred Shareholders

44. So long as any Preferred Shares shall remain outstanding and with the intent that the rights set out in this Article shall be treated as special rights attaching to the Preferred Shares as if the "A" Preferred Shares and the "B" Preferred Shares constituted a single class, the Company shall not take any action falling within paragraphs (a) to (p) below (inclusive) without such consent or sanction on the part of the Preferred Shareholders as is required for a variation of the special rights attached to such shares:-

- (a) any variation in the authorised or issued share capital of the Company or of any subsidiary undertaking of the Company 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 of any subsidiary undertaking of the Company or the variation of the terms of any share capital of the Company or of any subsidiary undertaking of the Company save for the granting of any options over up to 199,999 unissued "B" Ordinary Shares under the Share Option Scheme (as defined in the Subscription Agreement) and the issue of "B" Ordinary Shares on the exercise of such options;
- (b) any alteration of the Memorandum or Articles of Association (or equivalent documents) of the Company or any of its subsidiary undertakings (other than the adoption by any subsidiary undertaking of the Subsidiary Company Articles as defined in the Subscription Agreement);
- (c) the declaration or distribution of any dividend or other payment out of the distributable profits of the Company (other than dividends payable in respect of the Preference Shares, Preferred Shares or under Article 49 on the "A" Ordinary Shares and the redemption of the Preference Shares);
- (d) any action is commenced to wind up or dissolve the Company or any subsidiary undertaking of the Company other than any dormant subsidiary undertaking;
- (e) any material change in the nature of the business of the Company or any of its subsidiary undertakings;
- (f) the making by the Company or any of its subsidiary undertakings of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;
- (g) modify or vary the rights attaching to or the terms of any class of shares in the capital of the Company;
- (h) pass any resolution for increasing, repaying, purchasing or repurchasing, sub-dividing, consolidating the share capital of the Company or (save for the purpose of redeeming any of the Preference Shares) reducing 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;
- (i) make any distribution, payment or return to shareholders (other than in respect of the Preference Shares or the Preferred Shares) of a capital nature;

- (j) make any distribution, payment or return to shareholders (other than in respect of the Preference Shares or the Preferred Shares) of an income nature after the Company shall have failed or shall have been unable to redeem any Preference Shares pursuant to Articles 12 to 17, 19 or 20 until redemption of the relevant Preference Shares;
- (k) create or grant any options or other rights to subscribe for or to convert into or issue any further shares or securities ranking as regards participation in the profits or assets of the Company in priority to or *pari passu* with the Preference Shares or the Preferred Shares;
- (l) permit any subsidiary undertaking to issue (other than to the Company or a wholly-owned subsidiary of the Company) any shares nor shall any disposal be made by the Company or by any subsidiary undertaking of the Company of any shares (otherwise than as aforesaid);
- (m) 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;
- (n) pass any resolution amending Articles 129 to 134;
- (o) make or otherwise participate in (and whether by itself or with or through any Group company) any acquisition or disposal of the whole or any part of the share capital of any body corporate or of any assets or of the whole or any part of the undertaking of any person, body corporate or other entity if such acquisition or disposal would constitute a transaction falling within Classes 1, 2 or 4 as defined for the purposes of the regulations of The Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries (as such regulations are in force from time to time) if the Company were listed on the Official List of The Stock Exchange; or
- (p) execute any document or agreement or otherwise enter into a binding commitment which may result in a Sale or Listing.

45. Matters requiring consent: "B" Preferred Shareholders

So long as any "B" Preferred shares shall remain outstanding and with the intent that the rights set out in this Article shall be treated as special rights attaching to the "B" Preferred Shares as a class, the Company shall not take any action falling within paragraphs (a) to (e) (inclusive) without such consent or sanction on the part of the holders of the "B" Preferred Shares as is required for a variation of the special rights attached to such shares:-

- (a) without prejudice to Article 59, disapply or vary or modify the application of the provisions of Section 89 of the Act;
- (b) modify or vary the rights attaching to or the terms of any class of shares in the capital of the Company (including without limitation the amendment of the provisions of Articles 37, 80 and 114 to 120) in such a way as to prejudice the rights of the holders of the "B" Preference Shares;
- (c) pass any resolution for repaying, purchasing or repurchasing, sub-dividing, consolidating the share capital of the Company or (save for the purpose of redeeming any of the Preference Shares) reducing 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;

- (d) make any distribution, payment or return to shareholders (other than in respect of the Preference Shares or the Preferred Shares) of a capital nature;
- (e) 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;

Provided always that:-

- (i) save as mentioned in the immediately succeeding proviso (ii), nothing herein or herein elsewhere contained (including without limitation the provisions of Article 47) shall deny the "B" Preferred Shares their status as a separate class of shares in the capital of the Company for the purposes of determining whether the rights attaching to that class of shares have been varied modified or abrogated;
- (ii) the rights attaching to the "B" Preferred Shares shall not be nor be deemed to be varied, modified or abrogated by the issue for cash of equity securities (as that expression is defined in Section 94 of the Act) in circumstances where the holders of the "B" Preferred Shares fail to take advantage of the rights of pre-emption referred to in Article 59 and in such event the percentage in Article 37 shall be so reduced as to reflect the proportion of the Company's equity securities held by the holders of the "B" Preferred Shares after the issue in question.

46. As regards capital

On a return of capital on liquidation or otherwise, the assets of the Company available for distribution amongst its shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company (other than the Preference Shares and the "B" Ordinary Shares), in paying to the holders of the Preferred Shares:-

- (a) first, the total amounts paid up or credited as paid up on the Preferred Shares held by them *pari passu* with the payment to the "B" Ordinary Shareholders of amounts equal to the total amounts paid up or credited as paid up on the "B" Ordinary Shares; and
- (b) secondly, a sum equal to any accruals, arrears or deficiency of the Preferred Dividend in respect of the Preferred Shares held by them 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; and
- (c) thirdly, after payment to the holders of the "A" Ordinary Shares of the amounts to which they are entitled pursuant to Articles 51(a) and (b) and payment to the "B" Ordinary Shareholders of the amounts to which they are entitled pursuant to Article 55(b), a proportion of the balance of such assets equal to the proportion that the number of Preferred Shares bears to the total number of Preferred Shares and Ordinary Shares in issue immediately prior to the return of capital, the same to be apportioned among the holders of Preferred Shares *pro rata* to the number of Preferred Shares respectively held by them.

47. Preferred Shares: pari passu

Save as otherwise specifically provided in these Articles the "A" Preferred Shares and the "B" Preferred Shares shall rank pari passu as if the "A" Preferred Shares and the "B" Preferred Shares constituted one class of shares.

48. RIGHTS OF THE DEFERRED SHARES

The Deferred Shares shall entitle the holders thereof to a fixed non-cumulative dividend at the rate of 5 per cent per annum of the nominal value thereof for any financial year of the Company in respect of which the net profits of the Company available for dividend (as certified by the Auditors whose decision shall be final and binding) exceed £5,000,000,000.

On a winding up the holders of the Deferred Shares shall be entitled out of the surplus assets of the Company to a return of the capital paid up on the Deferred Shares held by them respectively after a total sum of £1,000,000 has been distributed on such winding up in respect of each Preferred Share and each Ordinary Share and on a winding up the rights of the Preferred Shareholders and Ordinary Shareholders under Articles 26, 46, 51 and 55 shall be subject to such rights of the holders of the Deferred Shares.

Save as provided above the holders of the Deferred Shares shall not be entitled to any participation in the profits or assets of the Company.

The Deferred Shares shall be freely transferable and the provisions and restrictions of Articles 62 to 111 shall not apply to them.

The Deferred Shares shall not entitle the holders thereof to receive notice of, attend or vote at any General Meeting of the Company by virtue of or in respect of their holdings of such Deferred Shares.

RIGHTS OF THE "A" ORDINARY SHARES

As regards income

49. Subject to the payment of the Preference Dividend and the Preferred Dividend the "A" Ordinary Shareholders shall be entitled to receive out of the profits of the Company available for distribution in respect of each financial year of the Company commencing on or after 29th February 1996 a fixed cash dividend at the rate of 5 per cent. of the amount paid up or credited as paid up thereon (together with the benefit of any associated tax credit) such dividend to be payable annually on the date which is one month after the date on which the accounts in respect of such financial year are laid before the Company in general meeting.

50. So far as it is legally able to do so, the Company shall procure the distribution to the Company in respect of each such financial year, by way of dividend or reduction of capital of sufficient of the profits of its subsidiary undertakings (if any) to enable the Company to pay the dividend on the "A" Ordinary Shares referred to in Article 49.

As regards capital

51. The holders of "A" Ordinary Shares shall be entitled as a class to receive out of the assets of the Company available for distribution amongst the members in a winding up of the Company or other return of capital by the Company and after payment:-
- i) to the holders of the Preference Shares of the amounts specified in Article 10; and
 - ii) to the holders of the Preferred Shares and "B" Ordinary Shares of the amounts specified in Article 46(a) and (b) and Article 55(a) respectively.

an amount equal to

- (a) first, the total amounts paid up or credited as paid up on the "A" Ordinary Shares held by them, and
- (b) secondly, *pari passu*, with the payment to the holders of the "B" Ordinary Shares of the amount specified in Article 55(b), any accruals arrears or deficiency of any dividend payable under Article 49 calculated down to the date of return of capital and payable irrespective of whether or not such dividend has been declared or earned; and
- (c) thirdly, a proportion of the balance of such assets equal to the proportion that the number of "A" Ordinary Shares bears to the total number of Preferred Shares and Ordinary Shares in issue immediately prior to the return of capital, the same to be apportioned among the holders of the "A" Ordinary Shares *pro rata* to the number of "A" Ordinary Shares respectively held by them.

As regards voting

52. "A" Ordinary Shareholders shall be entitled by virtue of their holdings of "A" Ordinary Shares to receive notice of and to attend and speak and to vote at all general meetings of the Company and on a show of hands each "A" Ordinary Shareholder present in person or by proxy shall have one vote and on a poll each "A" Ordinary Shareholder shall have one vote for each "A" Ordinary Share of which he is the holder.

Matters requiring the consent of the "A" Ordinary Shareholders

53. So long as any "A" Ordinary Shares shall remain outstanding but provided that no situation has prior to the relevant time arisen entitling the Preference Shares to elect to vote at General Meetings of the Company in accordance with Article 21, to the intent that the rights set out in this Article shall be treated as special rights attaching to the "A" Ordinary Shares as a class, the Company shall not take any action falling within paragraphs (a) to (q) below (inclusive) without such consent or sanction on the part of the "A" Ordinary Shareholders as is required for a variation of the special rights attached to such shares:-
- (a) any variation in the authorised or issued share capital of the Company or of any subsidiary undertaking of the Company 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 of any subsidiary undertaking of the Company or the variation of the terms of any share capital of the Company or of any subsidiary undertaking of the Company save for the granting of any options

over up to 199,999 unissued "B" Ordinary Shares under the Share Option Scheme (as defined by the Subscription Agreement) and the issue of "B" Ordinary Shares on the exercise of such options;

- (b) any alteration of the Memorandum or Articles of Association (or equivalent documents) of the Company or any of its subsidiary undertakings (other than the adoption by any subsidiary undertaking of the Subsidiary Company Articles as defined in the Subscription Agreement);
- (c) the declaration or distribution of any dividend or other payment out of the distributable profits of the Company (other than dividends payable in respect of the Preference Shares, Preferred Shares or under Article 49 on the "A" Ordinary Shares and the redemption of the Preference Shares);
- (d) any action is commenced to wind up or dissolve the Company or any subsidiary undertaking of the Company other than any dormant subsidiary undertaking;
- (e) any material change in the nature of the business of the Company or any of its subsidiary undertakings;
- (f) the making by the Company or any of its subsidiary undertakings of any contract outside the ordinary course of their respective businesses or otherwise than at arm's length;
- (g) modify or vary the rights attaching to or the terms of any class of shares in the capital of the Company;
- (h) pass any resolution for increasing, repaying, purchasing or repurchasing, sub-dividing, consolidating the share capital of the Company or (save for the purpose of redeeming any of the Preference Shares) reducing 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;
- (i) make any distribution, payment or return to shareholders (other than in respect of the Preference Shares or the Preferred Shares) of a capital nature;
- (j) make any distribution, payment or return to shareholders (other than in respect of the Preference Shares or the Preferred Shares) of an income nature after the Company shall have failed or shall have been unable to redeem any Preference Shares pursuant to Articles 12 to 17, 19 or 20 until redemption of the relevant Preference Shares;
- (k) create or grant any options or other rights to subscribe for or to convert into or issue any further shares or securities ranking as regards participation in the profits or assets of the Company in priority to or *pari passu* with the Preference Shares or the Preferred Shares;
- (l) permit any subsidiary undertaking to issue (other than to the Company or a wholly-owned subsidiary of the Company) any shares nor shall any disposal be made by the Company or by any subsidiary undertaking of the Company of any shares (otherwise than as aforesaid);

- (m) 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;
- (n) pass any resolution amending Articles 129 to 134;
- (o) make or otherwise participate in (and whether by itself or with or through any Group company) any acquisition or disposal of the whole or any part of the share capital of any body corporate or of any assets or of the whole or any part of the undertaking of any person, body corporate or other entity if such acquisition or disposal would constitute a transaction falling within Classes 1, 2 or 4 as defined for the purposes of the regulations of The Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries (as such regulations are in force from time to time) if the Company were listed on the Official List of The Stock Exchange;
- (p) execute any document or agreement or otherwise enter into a binding commitment which may result in a Sale or Listing; or
- (q) alter the accounting reference date of the Company.

RIGHTS OF THE "B" ORDINARY SHARES

54. As regards income

Subject to the payment of the Preference Dividend and the Preferred Dividend the "B" Ordinary Shareholders shall be entitled to receive out of the profits of the Company available for distribution in respect of each financial year of the Company commencing on or after 29th February 1996 a fixed cash dividend at the rate of 500 per cent. of the amount paid up or credited as paid up thereon (having regard to Article 3(e)) (together with the benefit of any associated tax credit) such dividend to be payable annually on the date which is one month after the date on which the accounts in respect of such financial year are laid before the Company in general meeting.

55. As regards capital

On a return of capital on liquidation or otherwise, the assets of the Company available for distribution amongst its shareholders shall be applied, in priority to the payment to the holders of any other class of shares in the capital of the Company (other than the Preference Shares and the Preferred Shares), in paying to the holders of the "B" Ordinary Shares:-

- (a) first the total amounts paid up or credited as paid up on the "B" Ordinary Shares held by them *pari passu* with the payment to the Preferred Shareholders of amounts equal to the total amounts paid up or credited as paid up on the Preferred Shares; and
- (b) secondly, after payment
 - (i) to the holders of the Preferred Shares of the amounts specified in Article 46(b); and

- (ii) to the holders of "A" Ordinary Shares of the amounts specified in Article 51(a)

pari passu with the payment to the holders of the "A" Ordinary Shares of the amount specified in Article 51(b) any accruals arrears or deficiency of any dividend payable under Article 54 calculated down to the date of return of capital and payable irrespective of whether or not such dividend has been declared or earned

- (c) thirdly, a proportion of the balance of any such assets equal to the proportion that the number of "B" Ordinary Shares bears to the total number of Preferred Shares and Ordinary Shares in issue immediately prior to the return of capital, the same to be apportioned among the holders of the "B" Ordinary Shares pro rata to the number of "B" Ordinary Shares respectively held by them.

56. As regards voting

"B" Ordinary Shareholders shall not be entitled by virtue of their holding to receive notice or to attend or speak or vote at any General Meetings of the Company until the publication of the audited consolidated accounts of the Company for the year ending 29th February 1996, from which time the provisions of Article 52 shall apply to the "B" Ordinary Shareholders mutatis mutandis.

56A As regards conversion

In the circumstances described in Article 27 and 33 each "B" Ordinary Share shall be converted into one "A" Ordinary Share simultaneously with conversion of the Preferred Shares into "A" Ordinary Shares

57. PRIORITY OF FACILITY AGREEMENT AND MEZZANINE AGREEMENT

Notwithstanding anything else in these Articles, the payment of dividends on all classes of the shares, and the redemption of any class of shares, shall be made only if and to the extent permitted by the Facility Agreement and the Mezzanine Agreement. If the payment of all or any part of such dividend, or the redemption of any part of the shares which would otherwise fall to be redeemed hereunder, cannot be paid by virtue of the Facility Agreement or the Mezzanine Agreement, then:

- (a) no such payment shall be made nor shall the unpaid portion thereof become a debt due from the Company to the relevant Shareholders;
- (b) any such non payment or non-redemption pursuant to this Article shall be treated for all purposes of these Articles as following upon a failure by the Company to make sufficient distributable profits, and shall not be treated as being a breach of the rights of any class of Shareholders but (save to the extent specifically provided in this paragraph) this Article is without prejudice to any provisions of these Articles specifying the consequences of any such non-payment or non-redemption.

FURTHER PARTICIPATION OF ORDINARY SHAREHOLDERS AND PREFERRED ORDINARY SHAREHOLDERS

58. Subject to any special rights attaching to any class of shares, the profits of the Company available for distribution and resolved to be distributed shall be distributed

by way of dividend among the holders of the Ordinary Shares and the Preferred Shares pro rata to the numbers of such shares held by each of them respectively provided that without prejudice to the payment of the Preference Dividend and the Preferred Dividend no such distribution may be made in a financial year of the Company commencing on or after 29th February 1996 unless the "A" Ordinary Shareholders are paid, in priority to the "B" Ordinary Shareholders and the Preferred Shareholders, a dividend equal to the amount by which:

- (a) the relevant proportion of the dividend paid to the Preferred Shareholders in respect of the same financial year (the relevant proportion being the number of "A" Ordinary Shares as a proportion of the number of Preferred Shares) exceeds;
- (b) the dividend paid to the "A" Ordinary Shareholders under Article 49 in respect of the same financial year

together with the benefit of any associated tax credit, the same to be distributed among the "A" Ordinary Shareholders pro rata to the numbers of such shares held by each of them.

ISSUE AND REDEMPTION OF SHARES

59. Subject to these Articles and as provided in the Act 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, subject to the exemption in sub-section (5) of Section 89 of the Act, to any allotment of the Company's equity securities provided that:

- (a) such provisions shall not apply to an allotment pursuant to clauses 3 or 4 of the Subscription Agreement;
- (b) for the purposes of those sub-sections the Ordinary Shares and the Preferred Shares shall be treated as one class; and
- (c) 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 applied for.

60. Subject to the provisions of the Act and these Articles, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise.

VOTES

61. Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the shareholders of the Company save that:
- (a) in relation to any resolution pursuant to section 303 of the Act for the removal of the Candover Director or, for so long as Candover Partners Limited has the right to remove him, the Chairman the Preferred Shares then held by Candover Investments plc, Candover Partners Limited, any of their affiliates and any limited partnership comprised in the investment fund known as the Candover 1989 Fund shall in aggregate carry three times the votes carried by all the other shares in the Company in aggregate; and
 - (b) in relation to any resolution pursuant to Section 303 of the Act for the removal of the Special Director the "B" Preferred Shares shall carry three times the votes carried by all the other shares in the Company in aggregate; and
 - (c) in relation to any resolution pursuant to Section 303 of the Act for the removal of the CIN Director the Preferred Shares then held by the members of the CIN Defined Group shall in aggregate carry three times the votes carried by all the other shares in the Company in aggregate; and
 - (d) in relation to any resolution pursuant to Section 303 of the Act for the removal of any executive Director of the Company who either himself holds or a person to whom he would be permitted to transfer shares under Articles 72 to 76 holds "A" Ordinary Shares, the "A" Ordinary Shareholders shall in aggregate carry three times the votes carried by all the other shares in the Company in aggregate unless the proposing of such resolution shall have been agreed by the Special Committee (and if the chief executive is the subject of the proposed resolution, his place on the Special Committee shall be taken by the Company's Human Resources Director). The Chairman shall not have a casting vote on a resolution of the Special Committee as to whether a resolution pursuant to Section 303 of the Act for the removal of any executive Director as aforesaid should be proposed;
 - (e) in relation to any resolution pursuant to Section 303 of the Act for the removal of the "A" Director the Shares of those Shareholders who vote in favour of the recommendation of the Special Committee as to whether such "A" Director should be removed shall carry three times the votes carried by all the other shares in the Company in aggregate; and
 - (f) if 75 per cent of the holders of the "A" Preferred Shares are entitled to appoint and remove the Chairman, then in relation to any resolution pursuant to Section 303 of the Act for the removal of the Chairman, the "A" Preferred Shares shall carry three times the votes carried by all the other shares in the Company in aggregate.

PERMITTED TRANSFERS

With Consent

62. Any Ordinary Share or Preferred Share (and/or any interest therein) may be transferred at any time to any person with the consent in writing of the holders of 91 per cent of the issued Equity share capital for the time being.

To Nominees or bare trustees

63. Without prejudice to regulation 5 of Table A, any share may be transferred by a shareholder to a person shown to the reasonable satisfaction of the Candover Director to be a nominee of or a bare trustee for that shareholder ("the Beneficial Owner").
64. Where shares have been transferred to a nominee or trustee pursuant to Article 63 (a "Relevant Transferee"), any such Relevant Transferee may transfer any Acquired Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Candover Director to be a nominee of or a bare trustee for the Beneficial Owner.
65. The provisions of Articles 86 to 113 and the definition of "Shareholder-related Contract" in Article 1 shall apply as if any Acquired Shares held by a Relevant Transferee were held by the Beneficial Owner.
66. For the purposes of Articles 63 to 67, "Acquired Shares" means any shares transferred pursuant to Articles 63 to 67 and any shares subsequently acquired by virtue of the holding of any Acquired Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise).
67. Where a Relevant Transferee ceases to hold any Acquired Shares as nominee or bare trustee for the Beneficial Owner he shall promptly transfer such Acquired Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Candover Director to be a nominee of or a bare trustee for the Beneficial Owner (having first procured that such transferee has entered into an appropriate deed of adherence if so required by the Subscription Agreement) and, in default of so doing, shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the Candover Director) so resolve.

Within corporate groups

68. Any Ordinary Shareholder or Preferred Shareholder which is an undertaking ("an Original Corporate Shareholder") may transfer any Preferred Shares or Ordinary Shares held by it to any Qualifying Group Undertaking (as defined in Article 70 below).
69. Where shares have been transferred to a Qualifying Group Undertaking under Article 68, that Qualifying Group Undertaking may transfer any Acquired Shares to any other Qualifying Group Undertaking.
70. For the purpose of Articles 68 and 69:-
 - (a) if at the time the Original Corporate Shareholder acquired the shares in question it had an ultimate parent undertaking, then a "Qualifying Group Undertaking" means that ultimate parent undertaking or any undertaking which is from time to time a group undertaking of that ultimate parent undertaking; otherwise, a "Qualifying Group Undertaking" means the Original Corporate Shareholder or any undertaking which is from time to time a group undertaking of the Original Corporate Shareholder.
 - (b) "Acquired Shares" means any shares transferred pursuant to Articles 68 and 69 and any shares subsequently acquired by virtue of the holding of any Acquired Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise).

71. This Article shall apply to any shareholder which, at the time he acquires Ordinary Shares or Preferred Shares ("the Time of Acquisition") is a Qualifying Group Undertaking. In the event that the Qualifying Group Undertaking ceases to be a Qualifying Group Undertaking of the undertaking which was its ultimate parent undertaking at the Time of Acquisition, it shall promptly transfer all such shares then held by it (together with any shares then held by it and acquired by virtue of the holding of such shares whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise) to such ultimate parent undertaking or to a group undertaking of such ultimate parent undertaking (having first procured that such transferee has entered into an appropriate deed of adherence if so required by the Subscription Agreement) and, in default of so doing, shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the Candover Director) so resolve.

To Relations and Trustees

72. Without prejudice to regulation 5 of Table A, any individual Ordinary Shareholder ("the Original Shareholder") may transfer any Ordinary Shares to a person or persons shown to the reasonable satisfaction of the Candover Director to be:-
- (a) a privileged relation; or
 - (b) trustees to be held upon family trusts in relation to the Original Shareholder provided that if an Original Shareholder who is a party to the Subscription Agreement (whether directly or through a deed of adherence) wishes to transfer Ordinary Shares to trustees to be held upon family trusts as aforesaid and the trusts have a residuary charitable beneficiary, the Candover Director may require to be satisfied that the trusts are primarily for the benefit of the Original Shareholder's privileged relations and that the proposed transfer is not intended to circumvent the restriction in Article 72(c); or
 - (c) trustees to be held upon charitable trusts (provided that such a transfer may only be made in respect of up to 10 per cent of an Original Shareholder's Ordinary Shares).
73. Where shares have been transferred under Articles 72 to 76 to a privileged relation or trustees of family trusts or trustees of charitable trusts the privileged relation or the trustees as the case may be may transfer any Acquired Shares to a person or persons shown to the reasonable satisfaction of the Candover Director to be:-
- (a) the trustees for the time being of any trusts being family trusts in relation to the Original Shareholder (whether on a change of trustee or otherwise); and/or
 - (b) the Original Shareholder or any privileged relation of the Original Shareholder.
74. For the purpose of Articles 72 to 76:-
- (a) "privileged relation" means the spouse of the Original Shareholder and all lineal descendants and ascendants in direct line and brothers and sisters of the Original Shareholder (including, where appropriate, any step, adopted or illegitimate children) and the spouse of any of the above persons;

- (b) "family trusts" means trusts the only persons being (or capable of being) beneficiaries of which are the Original Shareholder and/or his privileged relations and a residuary charitable beneficiary whose beneficial entitlement is dependent on the death of all those of the Original Shareholder's privileged relations who are beneficiaries of that family trust; and
- (c) "Acquired Shares" means any shares transferred pursuant to Articles 72 to 76 and any shares subsequently acquired by virtue of the holding of any Acquired Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise).

- 75. The provisions of Articles 86 to 113 and the definition of "Shareholder-related Contract" in Article 1 shall apply as if any Acquired Shares held by a permitted transferee (as described in Articles 72 and 73) were held by the Original Shareholder.
- 76. Where shares have been transferred under Articles 72 to 76 to trustees of a family trust or trustees of charitable trusts and any such shareholder ceases to hold any Acquired Shares as trustee of a family trust or of a charitable trust he shall promptly transfer such Acquired Shares to a permitted transferee as described in Article 73 (having first procured that such transferee has entered into an appropriate deed of adherence if so required by the Subscription Agreement) and, in default of so doing, shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the Candover Director) so resolve.
- 76.A Articles 72 to 76 shall only apply in respect of "A" Ordinary Shares.

Employee Trust

- 77. Any "A" Ordinary Shares may be transferred by the Employee Trust to employees of the Group in accordance with the rules of the Employee Trust.
- 78. A trustee of the Employee Trust may transfer "A" Ordinary Shares to a person shown to the reasonable satisfaction of the Candover Director to be a trustee of the Employee Trust and to hold such shares in that capacity.

Defined Group

- 79. Any Preferred Share or Ordinary Share (and/or any interest therein) held by or on behalf of any member of the CIN Defined Group or the L&G Defined Group may be transferred to any other member of the same Defined Group or to any nominee or trustee for any such member of the same Defined Group.

Mezzanine Lenders

- 80. Any "B" Preferred Share (and/or any interest therein) may be transferred to any person who becomes a Lender (as defined in the Mezzanine Agreement) or a Qualifying Group Undertaking of a Lender (as defined in Article 70).

Funds

81. Any Preferred Share and/or Ordinary Share (and/or any interest therein) held by or on behalf of a fund may be transferred to (or to a nominee or trustee for) the holders of units in, or partners in, or members of or investors in (as the case may be) such fund and any Preferred Share and/or Ordinary Share (and/or any interest therein) held by any nominee or trustee for such holders, partners, members or investors may be transferred to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors.
82. Any Preferred Share and/or Ordinary Share (and/or any interest therein) held by a fund may be transferred to a nominee or trustee for such fund and any Preferred Share and/or Ordinary Share (and/or any interest therein) held by a nominee or trustee for a fund may be transferred to that fund or to another nominee or trustee for such fund.
83. Any Preferred Share and/or Ordinary Share (and/or any interest therein) which is held by or on behalf of a fund may be transferred to (or to a nominee or trustee for) another fund which is managed or advised by the same manager or adviser as the transferor (or as the fund on behalf of whom any such share or interest is held by the transferor as nominee or trustee) or by a group undertaking of such manager or adviser.

Transfers Changing Control

84. A transfer of Ordinary Shares and/or Preferred Shares which, if made and registered, would result in a Transfer Changing Control is only permitted if the provisions of Articles 114 to 120 are complied with.

Deed of Adherence

85. Notwithstanding any provision to the contrary in these Articles, no share in the capital of the Company may be transferred at any time (other than upon a Sale or with the consent of the holders of 91 per cent of the issued share capital of the Company for the time being) to any person who would be required under the terms of the Subscription Agreement to execute a deed of adherence unless the transferee enters into an appropriate deed of adherence (as provided in the Subscription Agreement).

TRANSFERS OF "A" ORDINARY SHARES

86. Holdings of "A" Ordinary Shares may be transferred in whole or in part. Before transferring any "A" Ordinary Shares under Articles 86 to 94, the person ("the Proposing Transferor") proposing to transfer all or part of his shares shall give a notice in writing (a "Transfer Notice") to the Company specifying the number of "A" Ordinary Shares which the Proposing Transferor wishes to sell (the "Sale Shares"). The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares at the Prescribed Price per share (as determined in accordance with the provisions of Article 87) and shall not be revocable except with the written consent of the Candover Director.
87. The Prescribed Price shall be either:-
 - (a) in the event that the Transfer Notice is served before 31st August 1993, the subscription price per "A" Ordinary Share (together with interest thereon at 9 per cent per annum in respect of the period from the date on which the "A"

Ordinary Shareholders first acquired such shares up to the date on which the Transfer Notice is given) provided that if the Transfer Notice is deemed to be served under Article 86 before 31st August 1993 as a result of a resolution pursuant to Section 303 of the Act for the removal of a Director and four or more of the Company's executive Directors and the Chairman disagree with the proposing of such resolution, the Prescribed Price shall be:

- (i) in the case of a Transfer Notice deemed served before 30th November 1992, half the price determined by the Auditors in accordance with Article 87(b)(ii), if higher; or
 - (ii) in the case of a Transfer Notice deemed served on or after 1st December 1992 and before 31st August 1993, the price determined by the Auditors in accordance with Article 87(b)(ii), if higher
- (b) in the event that the Transfer Notice is served on or after 31st August 1993, either:
- (i) the price per "A" Ordinary Share as is agreed in writing between the Proposing Transferor and a majority of the Directors (the Candover Director being part of the majority) to be the market value thereof, such agreement to be reached not more than one month before or after the date on which the Transfer Notice is given (the "Transfer Notice Date"); or
 - (ii) if the Proposing Transferor and the Directors are unable to agree on the Prescribed Price within the said period, the Directors shall request the Auditors to determine and certify the sum per share considered by them to be the market value thereof as at the Transfer Notice Date and the sum per share so determined and certified shall be the Prescribed Price. The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and (subject as aforesaid) their determination shall be final and binding on all persons concerned and, in the absence of fraud, the Auditors shall be under no liability to any such person by reason of their determination or certificate or anything done or omitted to be done by the Auditors for the purposes thereof or in connection therewith. In calculating market value, no regard is to be had to the fact that the shares concerned constitute a minority or that their transfer is subject to restrictions and the calculation shall be on the basis of a sale between a willing seller and a willing purchaser on the open market on an arms length basis taking full regard of any proposed Sale or Listing; or
 - (iii) in the event that at the time of service of the Transfer Notice the Proposing Transferor nominates to the Company a bona fide purchaser of the Sale Shares and produces such evidence as a majority of the Directors (the Candover Director being a part of the majority) may reasonably require of the agreement of the nominated purchaser to purchase the Sale Shares from the Proposing Transferor, the price that has been agreed with the nominated purchaser.

88. If the Prescribed Price is agreed as aforesaid on or prior to the Transfer Notice Date the Prescribed Period shall commence on the Transfer Notice Date. If the Prescribed Price is agreed as aforesaid after the Transfer Notice Date the Prescribed Period shall commence on the date of such agreement. If the Prescribed Price is not so agreed

the Prescribed Period shall commence on the date on which the Auditors shall notify the Directors of their determination of the Prescribed Price.

89. On receipt by the Company of a Transfer Notice given (or deemed to be given) by an "A" Ordinary Shareholder who is a Director or a person to whom a Director is permitted to transfer shares under Articles 72 to 76, the Special Committee may elect that some or all of the Sale Shares be offered by the Company at the Prescribed Price to:-

- (a) a person or persons replacing in whole or in part and directly or indirectly the Proposing Transferor as an employee and/or director of the Company and/or any of its subsidiary undertakings (if any) provided that such replacement is found within 3 months of the commencement of the Prescribed Period ("the Three Month Period"); and/or
- (b) the Employee Trust.

On receipt by the Company of a Transfer Notice given (or deemed to be given) by an "A" Ordinary Shareholder who is neither a Director nor a person to whom a Director is permitted to transfer shares under Article 72 to 76, the Special Committee may elect that some or all of the Sale Shares be offered by the Company at the Prescribed Price to the Employee Trust.

Any such election shall be made not later than 28 days after the commencement of the Prescribed Period ("the Twenty Eight Day Period") and shall be notified in writing to the other Directors and to the Shareholders.

Any offer made pursuant to such election shall be made by the Special Committee on behalf of the Company not later than a week after the expiry of the Three Month Period. Any offer made under this Article shall limit a time (not being less than 21 days or more than 28 days) within which it must be accepted or in default will lapse.

90. In this Article, the "Remaining Sale Shares" shall mean any Sale Shares included in a Transfer Notice given (or deemed to be given) by an "A" Ordinary Shareholder and not agreed to be sold pursuant to Article 89. The Company will make an offer in accordance with this Article in relation to the Remaining Sale Shares (if any) as appropriate:

- (a) within 5 days of the Special Committee determining that it does not intend to make an election under Article 89; or
- (b) within 5 days of the expiry of the Twenty Eight Day Period without the Special Committee making an election as aforesaid; or
- (c) if an offer is made pursuant to Article 89 within 5 days of the end of the period for acceptance of the offer; or
- (d) if an election, but no offer, is made, not less than one week nor more than two weeks after the expiry of the Three Month Period.

Pursuant to the offer under this Article, all Remaining Sale Shares shall be offered by the Company by notice in writing to all the "A" Ordinary Shareholders (other than the member to whose shares the Transfer Notice relates or who has given a current Transfer Notice in respect of all his shares or who is bound under these Articles to give a Transfer Notice in respect of his shares or any of them and other than any member who has accepted an offer pursuant to Article 89 of any of the Sale Shares)

for purchase at the Prescribed Price on the terms that in the case of competition the shares so offered shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of "A" Ordinary Shares. Any offer made under this paragraph shall limit a time (not being less than 21 days nor more than 28 days) within which it must be accepted or in default will lapse. Any shares not accepted by such persons shall be offered to the Preferred Shareholders (other than any Preferred Shareholder who has given a current Transfer Notice in respect of all his shares or who is bound under these Articles to give a Transfer Notice in respect of his shares or any of them) on the same terms mutatis mutandis.

91. If the Company shall within the said time limits find persons ("Purchasers") in accordance with the provisions of Articles 86 to 90 to purchase the shares concerned or any of them and gives notice in writing thereof to the Proposing Transferor within 2 weeks of the expiry of all relevant time limits he shall be bound, upon payment of the Prescribed Price, to sell and transfer such shares to the respective Purchasers free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights then attaching thereto. Every such notice shall state the name and address of each of the Purchasers and the number of shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice. However (except as regards any Transfer Notice given or deemed to be given pursuant to Articles 62 to 85 or 105 to 113), if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares concerned neither this Article nor the following Article 92 shall apply and the offer made in respect of the relevant Sale Shares shall be deemed to be revoked unless the Company shall have found Purchasers for all of such shares.
92. If a Proposing Transferor shall fail or refuse to transfer any shares to a Purchaser hereunder the Directors may (and will if so requested by the Candover Director) authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Proposing Transferor shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Proposing Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Proposing Transferor but without interest. If such certificate shall comprise any shares which the Proposing Transferor has not become bound to transfer as aforesaid the Company shall issue to the Proposing Transferor a certificate for such shares.
93. If the Company shall not within the said periods find Purchasers willing to purchase all the Sale Shares, the Company shall promptly give notice in writing thereof to the Proposing Transferor and the Proposing Transferor at any time thereafter up to the expiration of six months after the date of such notice shall be at liberty to transfer those shares for which the Company has not found Purchasers to any person on a bona fide sale at any price not being less than the Prescribed Price provided that:-
 - (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned he shall not be entitled hereunder to

transfer any of such shares unless in aggregate the whole of such shares are so transferred;

- (b) the Directors and/or the Candover Director may require to be satisfied that such shares are being transferred pursuant to a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser and if not so satisfied may refuse or veto the approval or registration of the transfer.

94. Transfer Notices for "A" Ordinary Shares must be given for that class of share alone.

TRANSFERS OF PREFERRED SHARES

95. Holdings of Preferred Shares may be transferred in whole or part. Before transferring any Preferred Shares under Articles 95 to 102, the person ("the Proposing Transferor") proposing to transfer all or part of his shares shall give a Transfer Notice to the Company specifying the number of Preferred Shares which the Proposing Transferor wishes to sell (the "Sale Shares"). The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares at the Prescribed Price per share (as determined in accordance with Article 96) and shall not be revocable except with the written consent of the Candover Director.

96. The Prescribed Price shall be either:

- (a) in the event that at the time of service of the Transfer Notice the Proposing Transferor nominates to the Company a bona fide purchaser of the Sale Shares and produces such evidence as a majority of the Directors (the Candover Director being a part of the majority) may reasonably require of the agreement of the nominated purchaser to purchase the Sale Shares from the Proposing Transferor, the price that has been agreed with the nominated purchaser; or
- (b) the sum agreed in writing between the Proposing Transferor and a majority of the Directors (the Candover Director being a part of the majority) to be the market value thereof, such agreement to be reached within one month of the date on which the Transfer Notice is given (the "Transfer Notice Date"); or
- (c) if the Directors are unable to agree on the Prescribed Price within the same period the Directors shall request the Auditors to determine and certify the sum per Preferred Share considered by them to be the market value thereof as at the Transfer Notice Date and the sum per share so determined and certified shall be the Prescribed Price. The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and (subject as aforesaid) their determination shall be final and binding on all persons concerned and, in the absence of fraud, the Auditors shall be under no liability to any such person by reason of their determination or certificate or anything done or omitted to be done by the Auditors for the purposes thereof or in connection therewith. In calculating market value, no regard is to be had to the fact that the shares concerned constitute a minority or that their transfer is subject to restrictions and the calculation shall be on the basis of a sale between a willing seller and a willing purchaser on the open market on an arms length basis taking full regard of any proposed Sale or Listing.

97. The Prescribed Period shall commence on the date on which the Prescribed Price is agreed by the Directors or on which Auditors shall notify the Directors of their determination of the Prescribed Price.

98. On receipt of a Transfer Notice the Company shall forthwith offer the Sale Shares at the Prescribed Price to all Preferred Shareholders (other than the member to whose shares the Transfer Notice relates or any member who has given a current Transfer Notice in respect of all his Preferred Shares or who is bound under these Articles to give a Transfer Notice in respect of his shares or any of them) on the terms that in case of competition the shares so offered shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Preferred Shares. Any offer made under this paragraph shall limit a time (not being less than 21 days nor more than 28 days) within which it must be accepted or in default will lapse. Any shares not accepted by the Preferred Shareholders within the period during which the offer is open for acceptance shall be offered to the "A" Ordinary Shareholders (other than an "A" Ordinary Shareholder who has given a current Transfer Notice in respect of all his shares or who is bound under these Articles to give a Transfer Notice in respect of his shares or any of them) for purchase at the Prescribed Price on the same terms mutatis mutandis.
99. If the Company shall within the said time limits find members ("Purchasers") in accordance with the provisions of Article 95 to 98 to purchase the shares concerned or any of them and gives notice in writing thereof to the Proposing Transferor within 2 weeks of the expiry of all relevant time limits he shall be bound, upon payment of the Prescribed Price, to sell and transfer such shares to the respective Purchasers free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights then attaching thereto. Every such notice shall state the name and address of each of the Purchasers and the number of shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice. However (except as regards any Transfer Notice given or deemed to be given pursuant to Articles 62 to 85 or 105 to 112), if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares concerned neither this Article nor the following Article 100 shall apply and the offer made in respect of the relevant Sale Shares shall be deemed to be revoked unless the Company shall have found Purchasers for all of such shares.
100. If a Proposing Transferor shall fail or refuse to transfer any shares to a Purchaser hereunder the Directors may (and will if so requested by the Candover Director) authorise some person to execute and deliver on his behalf the necessary transfer (or any document required to remove all interest in any shares under the Employee Trust if required by Article 112) and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Proposing Transferor shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Proposing Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Proposing Transferor but without interest. If such certificate shall comprise any shares which the Proposing Transferor has not become bound to transfer as aforesaid the Company shall issue to the Proposing Transferor a certificate for such shares.
101. If the Company shall not within the said periods find Purchasers willing to purchase all the Sale Shares, the Company shall promptly give notice in writing thereof to the Proposing Transferor and the Proposing Transferor at any time thereafter up to the

expiration of six months after the date of such notice shall be at liberty to transfer those shares for which the Company has not found Purchasers to any person on a bona fide sale at any price not being less than the Prescribed Price provided that:-

- (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned he shall not be entitled hereunder to transfer any of such shares unless in aggregate the whole of such shares are so transferred;
 - (b) the Directors and/or the Candover Director may require to be satisfied that such shares are being transferred pursuant to a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser and if not so satisfied may refuse or veto the approval or registration of the transfer.
102. The Proposing Transferor may state in the Transfer Notice that the Sale Shares are to include a specified number of the "B" Ordinary Shares and/or Preference Shares and/or Deferred Shares held by him in which event:-
- (a) the Transfer Notice shall be deemed to include such "B" Ordinary Shares and/or Preference Shares and/or Deferred Shares;
 - (b) any Purchasers must agree to accept the offer made in accordance with Articles 95 to 102 in respect of Preferred Shares in the same proportions, as nearly as may be, as the number of Preferred Shares, "B" Ordinary Shares, Preference Shares and/or Deferred Shares comprised in the Transfer Notice bear to each other.

TRANSFERS OF "B" ORDINARY SHARES

103. The provisions of Articles 95 to 102 shall apply mutatis mutandis to the transfer of "B" Ordinary Shares.

TRANSFERS OF PREFERENCE SHARES

104. The Preference Shares are freely transferable.

TRANSFERS - GENERAL

105. No Ordinary Share or Preferred Ordinary Share and no interest in any such share shall be transferred or disposed of to any person unless expressly authorised by Articles 62 to 113. If the foregoing provision shall be infringed the holder of the relevant shares shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the Candover Director) so resolve.
106. A person entitled to any shares in consequence of the bankruptcy of a member shall be bound to give a Transfer Notice in respect of such shares, if and when required in writing by a majority of the Directors (such majority to include the Candover Director) to do so.
107. For the purpose of ensuring that a transfer of shares is in accordance with these Articles or that no circumstances have arisen whereby a shareholder may be bound or required to give a Transfer Notice a majority of the Directors (such majority to include the Candover Director) may from time to time require any member or any person named as transferee in any transfer lodged for registration to furnish to the Directors such information and evidence as such Directors (including the Candover

Director) may reasonably think fit regarding any matter which they (including the Candover Director) may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of a majority of the Directors (such majority to include the Candover Director) within a reasonable time after request the Directors by majority decision (such majority to include the Candover Director) shall be entitled in their absolute discretion to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses to the satisfaction of a majority of the Directors (such majority to include the Candover Director) in their absolute discretion that circumstances have arisen whereby a shareholder may be bound or required to give a Transfer Notice the Directors by majority decision (such majority to include the Candover Director) may by notice in writing require that a Transfer Notice be given in respect of the shares concerned.

108. In any case where the Directors have duly required a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of one week such Transfer Notice shall be deemed to have been given at the expiry of the said period and the provisions of the Articles relating to Transfer Notices shall take effect accordingly unless a majority of the Directors (such majority to include the Candover Director) elect otherwise.
109. A Transfer Notice given or deemed to be given pursuant to Articles 62 to 85 or 105 to 113 to shall not be capable of revocation (other than by the Candover Director by notice in writing to all the Shareholders) nor may it specify that unless all relevant shares are sold by the Company pursuant to the Transfer Notice, none shall be so sold. Subject as provided to the contrary in Articles 62 to 85 or 105 to 113 as appropriate, the provisions of Articles 86 to 94 and 95 to 102 shall apply to any Transfer Notice given or deemed to be given under or pursuant to Articles 62 to 85 or 105 to 113.
110. In any case where a shareholder (or his personal representative) has been required to give or has been deemed to have given a Transfer Notice pursuant to the provisions of Articles 62 to 85 or 105 to 113 and subsequently becomes the holder of (or is deemed pursuant to Articles 62 to 85 to be the holder of) further shares in the Company by virtue of the holding of any shares comprised in such Transfer Notice (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer) a majority of the Directors (such majority to include the Candover Director) may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Transfer Notice pursuant to Articles 62 to 85 or 105 to 113 (as appropriate) in respect of such further shares.
111. If all the shareholders of any class which is offered Sale Shares pursuant to Articles 62 to 113 agree in writing that a particular offer of Sale Shares need not be made to them a majority of the Directors may accelerate the procedure for offering the Sale Shares by not offering the Sale Shares to that class of shareholders, provided that the Candover Director agrees the accelerated procedure.

DEEMED SALE NOTICE

112. In any case where an Ordinary Shareholder ceases to be either a director or employee of the Company or of any of its subsidiary undertakings for any reason whatsoever including death (and is not continuing as either a director or employee of the Company or of any subsidiary undertaking of the Company, as the case may be) the Ordinary Shareholder (or his personal representatives as appropriate) and any Permitted Transferee shall be deemed to have served a Transfer Notice in respect of both his and the Relevant Permitted Transferee's holding of Ordinary Shares upon the date of such termination and to have renounced all interest in any shares under the Employee Trust.

For the purposes of this Article a Permitted Transferee shall mean any person to whom the Ordinary Shareholder in question has transferred shares pursuant to Articles 62 to 85 (inclusive) and the phrase "Relevant Permitted Transferee's holding" shall mean all such shares as the Permitted Transferee received from the Ordinary Shareholder in question pursuant to a transfer under Articles 62 to 85 together with all other shares of any nature whatsoever received by virtue of the Permitted Transferee's holding of such shares. However for the avoidance of doubt the provisions of this Article shall not extend to require the Ordinary Shareholder in question to transfer any shares held by him as trustee for the Employee Trust.

The provisions of this Article shall apply mutatis mutandis to the Preferred Shares held by the Chairman and the Preferred Shares held by any Permitted Transferee of the Chairman.

- 112.A In any case where shares are acquired, in pursuance of rights or interests obtained by either a director or employee of the Company or any of its subsidiary undertakings, by any person who is not (or has ceased to be) such a director or employee, such person shall be deemed to have served a Transfer Notice in respect of his holding of Ordinary Shares immediately after their acquisition.
113. For the avoidance of doubt, any Transfer Notice deemed to be served under Article 112 or Article 112.A shall supersede and cancel any then current Transfer Notice previously given under the Articles insofar as it relates to the same shares (unless the purchase of any such shares has been completed in accordance with Articles 91, 92 or 93 pursuant to such earlier Transfer Notice).

TRANSFERS CHANGING CONTROL

114. Notwithstanding anything in these Articles to the contrary though subject as provided in Article 116, no transfer (a "Transfer Changing Control") of any Ordinary Shares or Preferred Shares ("Specified Shares") to any person which would result if made and registered in a Sale or in a person obtaining or increasing a Controlling Interest shall be made or registered without the previous written consent of the holders of seventy-five per cent of the "A" Ordinary Shares and seventy-five per cent of the Preferred Shares unless:-
- (a) before the transfer is lodged for approval by the Directors or registration the proposed transferee has made an offer in accordance with this Article (a "Qualifying Offer") to purchase free from all liens, charges, encumbrances, rights of pre-emption or third party rights and together with all rights thereafter attaching (i) all the other Ordinary Shares and Preferred Shares at the Specified Price and (ii) all the Preference Shares at their paid-up value plus an amount equal to any arrears, deficiencies and accruals of the

Preference Dividend (whether or not declared or earned) to be calculated down to the date of completion; and

- (b) before or at the same time as the transfer of the Specified Shares is approved by the Directors (subject to stamping) each such accepted offer is completed and the consideration thereunder paid except insofar as failure to complete is due to the fault of the offeree.

115. A Qualifying Offer shall be in writing and shall be stipulated to be open for acceptance in the United Kingdom for at least 21 days and in default of acceptance in writing within such time by an offeree shall be deemed to have been rejected by such offeree.

116. The provisions of Article 114 shall not apply to the acquisition of shares by a party to the Subscription Agreement, a Further Subscriber or pursuant to Articles 62 to 85 (inclusive) and an acquisition of shares by any such person or pursuant to any such Article shall not constitute a "Transfer Changing Control".

117. For the purposes of these Articles 114 to 120:-

"Transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment; and

"Specified Price" shall mean:-

- (a) a price per share of not less than that offered or paid or agreed to be paid by the proposed transferee or any Connected Person with, or any person acting in concert with, such person for each Specified Share; or, if higher,
- (b) if the proposed transferee or any Connected Person with, or any person acting in concert with, such person has acquired any Ordinary Shares and/or Preferred Shares during the preceding twelve months, the "Specified Price" shall mean a price of not less than the average price per ordinary share paid or agreed to be paid in respect of all such shares so acquired during the preceding twelve months including the Specified Shares.

118. In determining the price paid or agreed to be paid for a share for the purposes of Article 117, there shall be included in each case an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the seller of the relevant shares (or any Connected Person or person acting in concert with him) which (having regard to the substance of the transaction as a whole) can reasonably be regarded as forming part of the consideration for the relevant shares.

119. Any conversion of "A" Preferred Shares pursuant to Articles 27, 28, 33 34, 42A or 56A and resulting from a Transfer Changing Control and/or the sales or transfers made pursuant to the corresponding Qualifying Offer shall be deemed to have taken place and be taken into account in determining the consideration payable to a Preferred Shareholder for his Preferred Shares pursuant to a Qualifying Offer and in determining the Specified Price.

120. 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 (or any successor body thereto) at the request of any of the parties concerned) whose decision shall be final and binding. In the absence of fraud such umpire shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith. The proposing transferor and any other shareholder shall provide such umpire with whatever information the umpire reasonably requests for the purposes of the calculation.

MATTERS REQUIRING CONSENT OF CANDOVER DIRECTOR AND CIN DIRECTOR OR SPECIAL COMMITTEE

121. In addition to any other authority required in law the following matters (except those mentioned in paragraphs (d) and (f)) all require to be authorised by the Candover Director and the CIN Director in writing and the matters mentioned in paragraphs (d) and (f) require to be authorised by the Special Committee:-
- (a) the alteration of the accounting reference date of the Company or of any subsidiary undertaking of the Company;
 - (b) the appointment or removal of any director to or from the board of directors of the Company (save as provided in Articles 140 to 144) or The Gaymer Group Limited or Erven Warninks BV or any other subsidiary undertaking as the Candover Director and the CIN Director may specify (each a "Specified Subsidiary") or of any similar officer to or from any Specified Subsidiary or (save as provided in Articles 140 to 144 and notwithstanding the provisions of regulation 65 of Table A) the appointment of any alternate to any such director or officer;
 - (c) the appointment or termination of employment of any employee of the Company or any of its subsidiary undertakings where his remuneration (including pension contributions) is (or is to be) in excess of £60,000 per annum or any variation of the remuneration or other benefits of any such employee;
 - (d) the delegation by the directors of the Company or of any Specified Subsidiary of any of their powers to any committee consisting of one or more directors;
 - (e) the appointment of any auditors of the Company or of any subsidiary undertaking of the Company (other than the reappointment of an existing auditor);
 - (f) the entry into termination or any variation of any Shareholder-related Contract or any variation or determination of the remuneration or other benefits thereunder or the waiver of any breach thereof or the issue of any legal proceedings in respect thereof by the Company or any of its Specified Subsidiaries;
 - (g) any alteration of the Facility Agreement or of the Mezzanine Agreement;
 - (h) the sale, lease, transfer or other disposal of any assets of the Company or any subsidiary for a consideration or having a value:-
 - (i) in excess of £500,000; or

- (ii) if to proceed with such sale, lease, transfer or other disposal would cause the aggregate of the amounts specified in the Business Plan (as defined in Article 121(o)) for such items in the relevant financial year to be exceeded by more than £100,000;
- (i) the sale, lease, transfer or other disposal in any financial year of the Company of
 - (a) the whole or any significant part of the undertaking of the Company; or
 - (b) any shares of a subsidiary undertaking of the Company; or
 - (c) the whole, or any significant part, of the undertaking of a subsidiary undertaking of the Company;

the net assets of which represent more than 5 per cent. of the net tangible assets attributable to the Company and its subsidiary undertakings taken as a whole, as shown by the latest available audited consolidated balance sheet of the Company and its subsidiary undertakings (adjusted, as appropriate, to reflect any deterioration since the balance sheet date if any Director so requires) or if no such balance sheet is available then assets having a book value or aggregate book value of £500,000 provided that for the purposes of this Article all such disposals in any one financial year of the Company shall be aggregated for the purposes of assessing whether authorisation is required;
- (j) the acquisition of any assets or the undertaking of any programme of capital expenditure by the Company and its subsidiary undertakings in any one financial year of the Company of an amount or amounts aggregating in excess of the amounts specified in (and for the matters for which they are set aside for in) the Business Plan (as defined in Article 121(o)) for such financial year;
- (k) the entering into by the Company or any of its subsidiary undertakings of any lease, licence, tenancy or other similar obligation where the rental or other payments thereunder exceeds or is likely to exceed £100,000 per annum; and the entering into by the Company or any of its subsidiary undertakings of any such commitments whereby the rental or other payments in the aggregate exceed or are likely to exceed £500,000 in any year;
- (l) the creation of any one or more mortgages, charges or encumbrances on any asset of the Company or of its subsidiary undertakings or the giving by the Company or any of its subsidiary undertakings of any guarantee;
- (m) the incorporation of a new subsidiary undertaking or the acquisition of any shares in any undertaking;
- (n) any action or transaction which, if any shares of the Company were listed on the Stock Exchange, would constitute a transaction falling within Classes 1, 2 or 4 as defined in the rules governing admission of securities to listing issued by The Stock Exchange from time to time (and in cases of doubt the Candover Director shall determine whether or not this Article 121(n) shall apply); and
- (o) the adoption of the annual capital and revenue budgets for the Group (the "Business Plan").

MEETINGS

122. Regulation 37 of Table A shall be amended by the insertion of the words "or the Candover Director acting alone", after the second word of that regulation.
123. 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 shareholders present shall form a quorum, and Regulation 41 of Table A shall be modified accordingly.
124. 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 46(b) of Table A shall be modified accordingly.
125. Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."
126. Regulation 59 of Table A shall be modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof."
127. Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors (the Candover Director being part of that majority) resolve otherwise".

NOTICES

128. Any notice under these Articles sent to any member (or any other person entitled to receive notices under the Articles) by post to an address within the United Kingdom shall be deemed to have been given upon the expiry of twenty-four hours, if prepaid as first class, and upon the expiry of forty-eight hours, if prepaid as second class, after the same shall have been posted within the United Kingdom. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted in the United Kingdom. Any notice not sent by post but left at a member's registered address shall be deemed to have been given on the day it was so left.

DIRECTORS' BORROWING POWERS

129. Subject as provided in this Article and in Articles 21(B), 44, 53 and 121, the board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
130. The board of Directors shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to procure (as regards such subsidiary undertakings, insofar as it can procure by such exercise) that the aggregate principal

amount outstanding in respect of moneys borrowed by the group (exclusive of moneys borrowed by one group company from another or moneys borrowed pursuant to the Facilities Agreement and/or the Mezzanine Agreement and after deducting cash deposited) shall not at any time exceed £120 million without the prior consent of the holders of 75% of the Preferred Shares and the prior consent of the holders of 75% of the Preference Shares in each case given in writing or by extraordinary resolution in separate class meetings.

131. In Articles 129 to 134 the following expressions shall have the following meanings:-

- (a) "cash deposited" means an amount equal to the aggregate for the time being outstanding of all cash deposits or balances on each current account of the group with any bank (not being a group company), the realisable value of certificates of deposit and securities of governments and companies or other readily realisable deposits owned by any group company save that in the case of any such items owned by any group company which is not a wholly-owned subsidiary, only that portion which is equal to the proportion of that company's issued and paid-up equity share capital which is owned, directly or indirectly, by a group company shall be taken into account;
- (b) "group" means the Company and its subsidiary undertakings from time to time;
- (c) "group company" means any member of the group;
- (d) "moneys borrowed" shall be deemed to include the following except insofar as otherwise taken into account:-
 - (i) the nominal amount of any issued share capital of any person other than a member of the group and the principal amount of any moneys borrowed from any such person, the beneficial interest in which or right to repayment to which is not for the time being owned by a group company but the payment or repayment of which is the subject of a guarantee or indemnity by a group company or is secured on the assets of any group company;
 - (ii) the outstanding amount raised by acceptances under any acceptance credit opened on behalf of and in favour of any group company by any bank or accepting house not being acceptances of, or acceptance credits in relation to, trade bills for purchases of goods or services in the ordinary course of business and outstanding for six months or less;
 - (iii) the principal amount of any loan capital (whether secured or unsecured) of any group company owned otherwise than by any group company;
 - (iv) the nominal amount of any share capital (not being equity share capital) of any subsidiary undertaking not owned beneficially by any group company;
 - (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but so that any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account); and
 - (vi) amounts raised under any transaction (including, without limitation, forward sale or purchase agreements) having the commercial effect of

borrowings entered into to enable the finance of operations or capital requirements

but shall be deemed not to include:-

- (vii) borrowings made for the purpose of repaying the whole or any part of borrowings falling to be taken into account for the purposes of Articles 129 to 134 within six months of being first borrowed, pending their application for such purpose within such period;
 - (viii) borrowings for the purpose of financing any contract in respect of which any part of the price receivable under such contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other institution fulfilling a similar function, to the amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured;
 - (ix) such proportion of the borrowings of any non-wholly-owned subsidiary as that part of its issued and paid-up equity share capital which is not beneficially owned, directly or indirectly, by a group company bears to the whole of its issued and paid-up equity share capital (but an equivalent proportion of moneys borrowed from one such non-wholly-owned subsidiary by any other group company which would otherwise fall to be excluded shall nevertheless be included);
 - (x) an amount equal to the borrowings of any company outstanding immediately after it becomes a group company;
 - (xi) the amount of any monies borrowed which are for the time being deposited with any governmental authority in any part of the world in connection with import deposits or any similar governmental scheme to the extent that the group company making such deposit retains its interest in such deposit;
 - (xii) any sum advanced or paid to any group company (or its agents or nominees) by customers of any group company as unexpended customer receipts or progress payments pursuant to any contract between such customer and a group company; and
 - (xiii) sums which fall to be treated as monies borrowed by any group company by reason only of any current statement of standard accounting practice or other accounting principle or practice;
132. When the aggregate amount of moneys borrowed required to be taken into account for the purposes of Articles 129 to 134 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:-
- (a) at the rate of exchange prevailing at the close of business in London on that day; or
 - (b) where the repayment of such moneys is expressly covered by a forward purchase contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risk associated with

fluctuations in exchange rates, at the rate of exchange specified in that document.

133. A report or certificate of the Auditors as to the aggregate amount of moneys borrowed falling to be taken into account for the purposes of or in compliance with Articles 129 to 134 shall be conclusive and binding on all concerned.
134. No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by Articles 129 to 134 shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

DIRECTORS

135. Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two and the maximum number of Directors shall be twelve.
136. Regulation 68 of Table A shall be modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors."
137. A Director shall not retire by rotation and a Director appointed to fill a 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.
138. 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.
139. Subject as provided in Articles 44 and 53, the holders of not less than one half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. The provisions of this Article shall not apply to the appointment or removal of a Candover Director or a Special Director or a CIN Director or a Director in respect of whose removal the provisions of Article 61(d) apply. This Article is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.

CANDOVER DIRECTOR

140. For so long as Candover Investments plc, Candover Partners Limited, any of their affiliates, or any limited partnership comprised in the investment fund known as the Candover 1989 Fund holds any Shares, Candover Partners Limited (for so long as it

is a subsidiary of Candover Investments plc and the general partner in any such investing limited partnership) on behalf of all such limited partnerships, shall be entitled to appoint and remove a non-executive Director (the "Candover Director") and the Candover Director shall be entitled to receive an annual fee of £12,000 plus VAT (if applicable) payable quarterly in arrears in respect of such appointment together with all expenses reasonably incurred by him in connection with his office as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office provided that the first Candover Director shall be appointed by resolution of the Directors in accordance with the Subscription Agreement. The Candover Director from time to time may by notice in writing to the Company appoint, and remove, an alternate Candover Director without the need for any further approval by the Directors; regulation 65 of Table A shall be modified accordingly. The consent in writing of Candover Partners Limited (for as long as it is a subsidiary of Candover Investments plc and a general partner in any such investing limited partnership) will be required for the variation of this Article or Article 61(a).

If Candover Investments plc, Candover Partners Limited, any of their affiliates and any limited partnership comprised in the investment fund known as the Candover 1989 Fund hold less than 15 per cent of the "A" Preferred Shares, the powers expressed in these Articles to be vested in the Candover Director alone shall be deemed to be vested in the Candover Director and the CIN Director jointly.

141. Where any decision is to be made by the Company (including whether or not to bring or defend a claim) in relation to the Sale and Purchase Agreement (as defined in the Subscription Agreement), or any documents referred to as being in the agreed form for the purposes of the said Sale and Purchase Agreement, such decision shall be made only after obtaining the approval of the Candover Director and similarly any decision in relation to either the conduct of any proceedings of whatever nature arising in connection with any such claim or the settlement or compromise of such a claim shall require the approval of the Candover Director. Where any decision is to be made by the Company (including whether or not to bring or defend a claim) in relation to the Subscription Agreement or Shareholder-related Contract, such decision shall be made only after obtaining the approval of the Special Committee and similarly any decision in relation to either the conduct of any proceedings of whatever nature arising in connection with any such claim or the settlement or compromise of any such claim shall require the approval of the Special Committee.

SPECIAL DIRECTOR

142. For so long as any part of the loan extended under the Mezzanine Agreement remains outstanding or Mithras Investment Trust PLC holds 25 per cent of the "B" Preferred Shares, whichever is the longer the holders of a majority of the "B" Preferred Shares shall be entitled to appoint and remove a non-executive Director (the "Special Director") and the Special Director shall be entitled to receive an annual fee of £12,000 plus VAT (if applicable) payable quarterly in arrears in respect of such appointment together with all expenses reasonably incurred by him in connection with his office as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office provided that the first Special Director shall be appointed by resolution of the Directors in accordance with the Subscription Agreement. The Special Director from time to time may by notice in writing to the Company appoint, and remove, an alternate Special Director without the need for any further approval by the Directors; regulation 65 of Table A shall be modified accordingly. For so long as Mithras Investment Trust PLC holds 25 per cent of the "B" Preferred Shares the consent in writing of the holders of a majority of

the "B" Preferred Shares will be required for the variation of this Article or Article 61(b).

CIN DIRECTOR

143. For so long as the CIN Defined Group hold more than 15 per cent of the "A" Preferred Shares CINVen (for so long as it advises the members of the CIN Group and manages the investments made by them) shall be entitled to appoint and remove a non-executive Director (the "CIN Director") and the CIN Director shall be entitled to receive an annual fee of £12,000 plus VAT (if applicable) payable quarterly in arrears in respect of such appointment together with all expenses reasonably incurred by him in connection with his office as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office provided that the first CIN Director shall be appointed by resolution of the Directors in accordance with the Subscription Agreement. The CIN Director from time to time may by notice in writing to the Company appoint, and remove, an alternate CIN Director without the need for any further approval by the Directors; regulation 65 of Table A shall be modified accordingly. For so long as the CIN Defined Group hold more than 15 per cent of the "A" Preferred Shares the consent in writing of CINVen (for so long as it advises the members of the CIN Group and manages the investments made by them) will be required for the variation of this Article or Article 61(c).

CHAIRMAN

144. For so long as Candover Investments plc, Candover Partners Limited, any of their affiliates or any limited partnership comprised in the investment fund known as the Candover 1989 Fund holds more than 15 per cent of the "A" Preferred Shares, Candover Partners Limited (for so long as it is a subsidiary of Candover Investments plc and the general partner of any such investing limited partnership) shall be entitled after consultation with the Non-Executive Directors to appoint and remove a non-executive Chairman. If Candover Partners Limited ceases to be entitled to appoint and remove the Chairman, the holders of 75 per cent of the "A" Preferred Shares shall be entitled to appoint and remove the Chairman. The Chairman shall be entitled to receive an annual fee of £35,000 plus VAT (if applicable) payable quarterly in arrears in respect of such appointment together with all expenses reasonably incurred by him in connection with his office as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office provided that the first Chairman shall be appointed by resolution of the Directors in accordance with the Subscription Agreement. The Chairman from time to time may by notice in writing to the Company appoint, and remove, an alternate Chairman without the need for any further approval by the Directors; regulation 65 of Table A shall be modified accordingly. The consent in writing of the holders of 75 per cent of the "A" Preferred Shares will be required for a variation of this Article. If 75 per cent of the holders of the "A" Preferred Shares are entitled to appoint and remove the Chairman, the consent in writing of the holders of 75 per cent of the "A" Preferred Shares will be required for a variation of Article 61(f).

"A" ORDINARY DIRECTOR

145. The holders of the majority of the "A" Ordinary Shares shall be entitled to appoint and remove a non-executive director ("A" Ordinary Director") provided that the "A" Director shall not be a Director previously removed as a Director pursuant to Section 303 of the Act and the "A" Ordinary Director shall be entitled to receive an annual fee of up to £12,000 plus VAT (if applicable) payable quarterly in arrears in respect of such appointment together with all expenses reasonably incurred by him in

connection with his office as a Director. Such appointment or removal shall be made by notice in writing served upon the Company at its registered office. The "A" Ordinary Director from time to time may by notice in writing to the Company appoint, and remove, an alternate "A" Ordinary Director without the need for any further approval by the Directors; regulation 65 of Table A shall be modified accordingly. The consent in writing of the holders of a majority of the "A" Ordinary Shares will be required for the variation of this Article or Article 61(e).

FEES

146. The annual fees payable to the Candover Director, the Special Director, the CIN Director and the Chairman shall be increased annually on 1st January each year by not less than the RPI increase. If there is any change after the date of adoption of these Articles in the reference base used to compile the RPI the figure of the RPI at any subsequent fee review shall be the figure which would have been shown in the RPI if the reference base used at the date of adoption of these Articles had been retained. "RPI increase" means that percentage by which the Retail Price Index ("RPI") as published by the Department of Employment shall have increased over the figure of the RPI for the month in which the relevant Director's fee was fixed or increased in the previous year for which purposes the relevant Director's fee is deemed to have been originally fixed on the date of adoption of these Articles.

BOARD MEETINGS

147. Meetings of the board of Directors shall take place no less frequently than once per calendar month until 31st August 1993 then no less frequently than once every two months and at least seven clear working days notice of each meeting shall be given to each Director (whether or not he is absent from the United Kingdom) 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 than such majority so agreeing must include the Candover Director, the CIN Director, the Special Director and the Chairman. All board meetings shall take place in the United Kingdom save with such agreement as aforesaid. The quorum for board meetings shall be two Directors present throughout the Meeting. Unless the Candover Director or his alternate is present at the meeting, the Directors present may only deal with business on the agenda circulated with the notice of the meeting.
148. Regulation 94 of Table A shall be modified by the insertion of the following before the words "unless his interest or duty arises only because":-
- "unless, in the case of a Director other than the Candover Director, he has obtained the approval in writing of a Candover Director or, in the case of the Candover Director, he has obtained the approval in writing of a majority of the Directors (excluding the Candover Director) or"

INDEMNITY

149. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary or other officer or employee of the Company shall be indemnified out of the assets of the Company against all cost, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or

omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

150. Subject to the consent in writing of the Candover Director or of the holders of a majority of the Preferred Shares, the Directors may exercise all the powers of the Company to purchase and maintain for any Director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.