



The Companies Act 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
BAAN INTERNATIONAL LIMITED

Adopted by Special Resolution Passed 1994)

1. (a) The Company is a private company and the regulations contained or incorporated in Table A in The Companies (Tables A to F) Regulations 1985 (as amended) (hereinafter called "Table A") shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these regulations.
(b) Regulations 40, 73 to 80 (inclusive) and 94 to 97 (inclusive) in Table A shall not apply to the Company.
(c) In these Articles "the Act" means the Companies Act 1985 and every statutory modification and re-enactment thereof for the time being in force.
2. The authorised share capital of the Company at the date of the adoption of these Articles is £1,043,452 divided into 1,043,452 Ordinary Shares of £1 each.
3. Obligation on the Directors
 - (a) The Board of Directors shall inform the Shareholder(s) representing 75% or more of the issued share capital of the Company by five business days' prior written notice of any of the following proposed actions:-
 - (1) The entering into of any material contract outside the ordinary course of its business or whereby any person would or might receive remuneration calculated by reference to income or profits.
 - (2) Any material change (including cessation) in the nature or geographical area of its business as carried on from time to time or the commencement by it of any new business not being ancillary or incidental to such business or the incorporation of any subsidiaries or opening of any branch office.

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(3) The arranging of or entering into any overdraft or other borrowing or credit facilities in excess of £25,000.

(b) The Board of Directors shall not take any of the following actions or decisions without the prior written approval of the Shareholder(s) representing 75% or more of the issued share capital of the Company, in cases where the amount involved exceeds £25,000:-

- (1) The giving of a guarantee, indemnity or security or the binding as severally liable co-debtor or the standing surety for or in respect of the obligations of any other person.
- (2) The commencement of any legal or arbitration proceedings (other than routine debt collection, which by their nature cannot be delayed).
- (3) The making of any claim, disclaimer, surrender, election or consent of a material nature for tax purposes.
- (4) The entering into, amending or terminating of any agreements regarding the transfer or acquisition of industrial or intellectual property rights other than licensing in the ordinary course of business.
- (5) The adoption of a business plan.

(c) The Board of Directors shall not take any of the following actions or decisions without the prior written approval of the Shareholder(s) representing 75% or more of the issued capital of the Company:-

- (1) Appoint senior members of management.
- (2) Amend the primary or secondary compensation or other material terms of employment for the senior members of management.
- (3) Execute any joint venture, co-operation or similar agreement with a term in excess of one year or approve the termination thereof.
- (4) Acquire a substantial interest in the share capital, assets or equity of any other entity or approve the divestiture of any such interest.
- (5) Make expenditures, in excess of £25,000, to the extent not included in the annual consolidated budgets for the fiscal year in which such expenditure is to be made.
- (6) Sell, lease or otherwise dispose of assets outside the ordinary course of business with a

purchase price value in excess of £25,000.

- (7) Merge, including making a proposal for a [statutory] merger, and/or liquidate [what do you mean?].
- (8) Grant a pledge, lien or other security interest with respect of a material portion of the subsidiaries assets.
- (9) Authorise or otherwise approve an issue of shares.
- (10) Grant options or warrants over any of its shares or other securities or agree to make any such grant.
- (11) Approve or adopt the annual accounts, declare or distribute any dividend (including interim dividend) or make any other distribution on account of any shares of its share capital, or redeem, retire, purchase or otherwise acquire any shares of its capital, debt instruments or other securities, or any options, warrants or right to purchase thereon.
- (12) Apply for a moratorium of debt or bankruptcy.
- (13) Make any alteration to the Memorandum of Association, Articles of Association or other constitutional documents.
- (14) Cease or propose to cease to carry on its business or to be wound up or propose a dissolution.
- (15) Enter into, amend or terminate any agreement with Baan Holding B.V. outside of the ordinary course of business.
- (16) Co-operative in the issue of depositary receipts for shares.

4. Financial

The Board of Directors shall submit to the Shareholders of the Company:-

- (a) Before 15th January of each year a detailed draft operating budget (including estimated major items of revenue and capital expenditure) for the then current fiscal year, together with a balance sheet showing the projected position of the Company as at the end of the then current fiscal year.
- (b) Within twenty calendar days after the end of each calendar month, unaudited management accounts for the

month then ended.

- (c) Within twenty five calendar days after the end of each of the first three quarters of each fiscal year of the Company and within forty days after the end of the last quarter of each fiscal year of the Company, a balance sheet and a profit and loss statement, all in reasonable detail, stating in comparative form the figures for the corresponding date and period in the previous fiscal year (if available) on a year to year basis.
 - (d) Such further information relating to the business or financial condition of the Company.
- 5. In accordance with Section 91(1) of the Act the provisions of Sections 89(1) and 90(1) to 90(6) inclusive of the Act shall not apply to the Company.
 - 6. Regulation 24 of Table A shall not apply to the Company and the Directors must register a transfer of shares approved of by Shareholder(s) representing 75% or more of the issued share capital of the Company.
 - 7. A Member or Members holding a majority in nominal value of the issued Ordinary Shares for the time being in the Company shall have power from time to time and at any time to appoint any person or persons as a Director or Directors or to fill any vacancy, and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the Member or Members making the same, or in the case of a Member being a company signed by one of its directors on its behalf, and shall take effect upon lodgment at the registered office of the Company.
 - 8. One member present in person or by proxy, or by a duly authorised representative of a corporation, shall be a quorum.
 - 9. Regulation 88 of Table A shall be amended by the deletion of the words "It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom" and by the replacement therefor of the following "Notice of a meeting of the directors shall be given to all directors including those who are absent from the United Kingdom but provided such a director has notified the Secretary with an address for notification".
 - 10. The Company shall not be subject to Section 293 of the Act. No person shall be disqualified from being or becoming a Director by reason of his attaining or having attained the age of 70 or any other age.
 - 11. A Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any General Meeting of the Company, and at any separate meeting of the holders of any class of shares in the Company.

12. Any Director, whether or not he has declared his interest therein, may vote as a Director in regard to any contract or proposed contract or arrangement in which he is interested whether directly or indirectly or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be counted in the quorum present at any meeting at which any such contract, arrangement or matter is under consideration.