

No. 3073491

THE COMPANIES ACT 1985



COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION

- of -

ATCO-QUALCAST LIMITED¹

(Adopted by Special Resolution passed
on 1 September 1995)²

PRELIMINARY

1.1 In the interpretation of these Articles, the headings shall not affect the construction thereof and, unless the context otherwise requires the following words and expressions shall bear the following meanings:-

"Accounts" shall have the meaning given in Article 4.1;

"acting in concert" shall have the meaning set out in the City Code on Takeovers and Mergers;

"the Acts" means the Companies Act 1985, the Companies Act 1989, and in either case any statutory modification, amendment, variation or re-enactment thereof for the time being in force;

"Allocation Notice" shall have the meaning given in Article 15.6.3;

"Appropriate Offer" shall have the meaning given in Article 15.10.4;

"Auditors" shall have the meaning given in Article 4.2;

¹ The name of the Company was changed from Beachshow Limited by Special Resolution passed on 29 August 1995

² The previous Articles of Association were adopted by Special Resolution on 18 August 1995

"Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985;

"Board" means the board of directors of the Company from time to time;

"Change of Control" means the transfer (within the meaning of Article 15.1) of shares in the Company as a result of which any person or persons connected with each other or persons acting in concert with each other would obtain Control (as defined in Article 15.10.3) over or increase Control beyond 30 per cent. or more of the voting rights normally exercisable at General Meetings of the Company **SAVE THAT** there shall be no Change of Control:-

- (a) resulting from any transfer pursuant to Article 15.3; or
- (b) resulting from a transfer to any Subscriber (as defined in the Subscription and Shareholders Agreement dated 23rd December 1992 between the Company, Candover Partners Limited and others) or its nominee;

"connected" shall be determined in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988;

"Conversion Date" means the date of a Sale or of a Listing;

"Deferred Shares" means the Deferred Shares of 10p each in the capital of the Company;

"Deferred Shareholders" means the holders for the time being of the Deferred Shares;

"Directors" means the Directors for the time being of the Company;

"Dividend Date" shall have the meaning given in Article 6.4.1;

"Employee" means an individual who is employed full time by the Company or any of its subsidiaries or an individual whose services are made available on a full time basis to the Company or any of its subsidiaries under the terms of an agreement between the Company or any of its subsidiaries and such individual (and "contract of employment" shall be construed accordingly to include any such agreement)

"Employee Share Scheme" means any employee share scheme established by the Company;

"Employee Trust" means the trust proposed to be established by the Company for the benefit of the employees of the Company or any of its subsidiaries;

"Financial Period" means an accounting period in respect of which the Company prepares its accounts in accordance with the Acts;

"Group" means the Company and any company which is a subsidiary of the Company, a holding company (as defined in Section 736 of the Acts) of the Company or a subsidiary of such holding company;

the words "Index-linked" immediately following any monetary amount shall mean that on 1st January 1996 and on each succeeding 1st January such monetary amount shall be increased by such percentage as is equal to the percentage increase in the Retail Prices Index (all items) between the immediately preceding 1st January and the date of such increase;

"Involuntary leaver" means an Employee who ceases to be an Employee other than in circumstances constituting him a Voluntary leaver;

"Issue Price" means the aggregate of the amount paid up or credited as paid up and any amount credited to share premium account on any share in the capital of the Company;

"Listing" means the admission of any part of the share capital of the Company to the Official List of the London Stock Exchange or the unconditional grant of permission to deal in the same in the Unlisted Securities Market of the London Stock Exchange or any other recognised investment exchange (as defined in the Financial Services Act 1986);

"Member Applicant" shall have the meaning given in Article 15.6.3;

"Ordinary Shares" means the Ordinary Shares of 10p each in the capital of the Company;

"Ordinary Shareholders" means the holders for the time being of the Ordinary Shares;

"PBT" in respect of any Financial Period means the audited consolidated profit (if any) of the Company and its subsidiary undertakings as shown in the Accounts for the relevant Financial Period:-

- (a) before any provision is made for the payment of any dividend of any kind (whether interim or otherwise) on any share in the capital of the Company or any of its subsidiary undertakings and before provision for any other distribution or before the transfer of any sum to capital or revenue reserves;
- (b) before there has been deducted or credited any capital losses or gains or any extraordinary profits or losses;
- (c) before there has been deducted any corporation tax on profits or gains (or any other tax levied upon or measured by reference to profits or gains) as adjusted by paragraphs (a) and (b) above (or any other tax levied upon or measured by profits or gains); and

(d) after there has been deducted or added any exceptional losses or profits;

"Participating Dividend" shall have the meaning given in Article 6.2.1;

"Preference Dividend" shall have the meaning given in Article 6.1.1;

"Preference Shares" means the Cumulative Redeemable Preference Shares of 90p each in the capital of the Company;

"Preference Shareholders" means the holders for the time being of the Preference Shares;

"Preferred Ordinary Shares" means the Convertible Cumulative Participating Preferred Ordinary Shares of 10p each in the capital of the Company;

"Preferred Ordinary Shareholders" means the holders for the time being of the Preferred Ordinary Shares;

"Publication Date" means the date on which the Accounts for the year ending 31st December 1995 are approved by the Board;

"Redemption Date" means any date or time when Preference Shares are to be redeemed in accordance with these Articles;

"Relevant Dividend" shall have the meaning given in Article 6.4.1;

"Sale" means the completion of an agreement for the purchase of all the Preferred Ordinary Shares and Ordinary Shares (to the extent not already owned by the purchaser or persons acting in concert or connected with the purchaser) or the acceptance of an offer as a result of which the offeror becomes entitled or bound to acquire the remainder of such shares in respect of which such offer is not accepted in accordance with the Acts or would have become so entitled or bound had the Preferred Ordinary Shares and, where appropriate, the Ordinary Shares already converted at the time the offer was made in accordance with Article 9;

"Sale Shares" shall have the meaning given in Article 15.5;

"the London Stock Exchange" means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

"Transfer Notice" shall have the meaning given in Article 15.4.1;

"Transfer Price" shall have the meaning given in Article 15.4.1;

"Vendor" shall have the meaning given in Article 15.4.1; and

"Voluntary leaver" means an Employee who ceases to be an Employee voluntarily or by reason of the lawful termination by the employer of his

contract of employment (other than termination by reason of his death, illness, disability or reaching the normal retirement age or by the Company giving proper notice).

1.2 Words and expressions defined in or having a meaning provided by the Acts (but excluding any statutory modification not in force on the date of adoption of these Articles) shall, unless the context otherwise requires, have the same meaning when used herein.

1.3 The regulations contained in Table A, save insofar as they are excluded or varied hereby, and the regulations hereinafter contained shall constitute the regulations of the Company.

1.4 The regulations of Table A numbered 24, 40, 64, 73 to 80 (inclusive), 94 to 97, 101 and 118 shall not apply to the Company.

GENERAL MEETINGS

2.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and for its duration. Two persons, being members present in person or by proxy or duly authorised representatives of corporations shall be a quorum at any general meeting. 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 members present shall form a quorum, and Regulation 41 of Table A shall be modified accordingly.

2.2 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 of Table A shall be modified accordingly.

3. With respect to any such resolution in writing as is referred to in Regulation 53 of Table A, in the case of a corporation which holds a share, the signature of any director or the secretary thereof shall be sufficient for the purposes of Regulation 53.

ACCOUNTS AND ANNUAL GENERAL MEETINGS

4.1 Every Financial Period of the Company shall commence on 1st January and end on 31st December in the same year PROVIDED THAT the first Financial Period shall end on 31st December 1995. The Board shall cause to be prepared, in accordance with the provisions of the Acts, a consolidated balance sheet of the Company and its subsidiary undertakings as at the end of each Financial Period and a consolidated profit and loss account of the Company and its subsidiary undertakings for each Financial Period (the "Accounts").

4.2 An Annual General Meeting of the Company shall be held not later than the last business day of the month of March in each calendar year in respect of the Financial Period ended on the immediately preceding 31st December at such time and place as the Board shall determine, and the Board shall cause to be laid before each such Annual General Meeting the Accounts for such Financial Period together with the respective reports thereon of the

Board and of the auditors for the time being of the Company (the "Auditors") such reports complying with the provisions of the Acts.

4.3 At the same time as reporting on the Accounts for any Financial Period of the Company the Auditors shall certify in writing to the Board in respect of each such Financial Period:-

- (a) the amount of the PBT; and
- (b) the amount of the Participating Dividend (if any) payable both in aggregate and in respect of each Preferred Ordinary Share pursuant to Article 6.2.

In so certifying the Auditors shall be deemed to be acting as experts and not as arbitrators, and the amounts as so certified shall, in the absence of manifest error, be conclusive and binding on the Company and upon all of its members for the purposes of these Articles.

SHARE CAPITAL

5.1 The authorised share capital of the Company at the date of the adoption of these Articles is £8,906,579 divided into:-

- (a) 315,790 Ordinary Shares;
- (b) 9,750,000 Preference Shares; and
- (c) 1,000,000 Preferred Ordinary Shares.

5.2 The special rights and restrictions attached to and imposed on each class of share capital of the Company are as set out in Articles 6 to 10.

INCOME

6.1 Preference Shares

6.1.1 In respect of each Financial Period the Preference Shares shall confer upon the holders thereof as a class the right to receive in priority to the transfer of any sums to reserves or to any payment by way of dividend to the holders of any other shares in the capital of the Company and the Company shall pay a fixed cumulative preferential dividend (the "Preference Dividend") on each Preference Share at the rate of 7% per annum (exclusive of the imputed tax credit available to the Preference Shareholders) on the Issue Price.

6.1.2 The Preference Dividend shall accrue from day to day and shall be paid in cash as follows:-

- (a) in respect of the period from the date upon which the relevant share is issued fully paid up to and including 2nd January 1996 on 2nd January 1996;
- (b) thereafter until redemption, by two instalments on 2nd January and 1st July of each year. The payment to be made on 2nd January shall be in respect of the period from the previous 1st July to that date. The payment to be made on 1st

July shall be in respect of the period from the previous 2nd January to that date; and

- (c) on a Redemption Date in respect of Preference Shares redeemed on that date, in respect of the period from the immediately previous 2nd January or 1st July down to and including the Redemption Date.

6.1.3 To the extent that there are profits available for distribution on the due date for payment thereof the Preference Dividend shall ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the Preference Shareholders in respect of each Preference Share held by each such shareholder.

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

6.2 Preferred Ordinary Shares

6.2.1 To the extent that payment thereof out of profits would be lawful, the holders of the Preferred Ordinary Shares shall be entitled prior to the conversion thereof to receive and the Company shall pay after payment of all Preference Dividends (including all arrears thereof, whether earned or declared or not) but otherwise in priority to the holders of any other class of share a cumulative participating preferential dividend ("the Participating Dividend") in respect of each Financial Period of the Company in the manner provided and in an amount calculated in accordance with paragraph 6.2.2 below.

6.2.2 Subject as herein provided, the Participating Dividend payable on each Preferred Ordinary Share shall be paid in part as an interim dividend on 1st July in each year (in respect of the financial half-year ending on the immediately preceding 30th June) (the first such payment being made on 1st July 1996) in an amount (exclusive of associated tax credit) equal to 3.5 per cent. of the Issue Price of such Preferred Ordinary Share and as to the balance as a final (or second interim) dividend (in respect of the financial year ending on the immediately preceding 31st December) payable on the date being fourteen days after the Annual General Meeting of the Company at which the Accounts of the Company and its subsidiaries are laid before members in respect of the preceding Financial Period in an amount (exclusive of associated tax credit) equal to the greater of:-

- (a) an amount equal to 7 per cent. of the Issue Price of such Preferred Ordinary Share; and
- (b) an amount equal to 7 per cent. of the PBT for the previous Financial Period divided by the number of Preferred Ordinary Shares in issue;

less (in either case):-

an amount equal to 3.5 per cent. of the Issue Price of such Preferred Ordinary Share (or such lesser amount as shall actually have been paid by way of interim dividend for such year) PROVIDED THAT where the Participating Dividend is paid in respect of part of a Financial Period PBT for that period shall be as shown by the consolidated management accounts of

the Company and its subsidiary undertakings for the period in question in a form approved by the Company and in the absence of such accounts for that period, as estimated by the Auditors, in each case as adjusted in the manner provided in the definition of "PBT" and the amount of PBT and the amount of the Participating Dividend (if any) in each case as to be determined in accordance with this proviso shall be certified in writing by the Auditors and in so certifying the Auditors shall be deemed to be acting as experts and not as arbitrators and the amounts as so certified shall, in the absence of manifest error, be conclusive and binding on the Company and upon all its members for the purposes of these Articles.

The Participating Dividend shall accrue on a daily basis and that part of the Participating Dividend due on 1st July 1996 shall be paid on the date in respect of the period from the date of issue of the Preferred Ordinary Shares until 30th June 1996.

6.2.3 To the extent there are profits available for distribution after payment of the Preference Dividend for the relevant Financial Period (and after payment of all dividends accrued and in arrears on the Preference Shares), on the due date for payment therefor the Participating Dividend shall ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the Preferred Ordinary Shareholders pro rata according to the number of Preferred Ordinary Shares held by each such shareholder.

6.3 Ordinary Shares

In respect of each Financial Period the Ordinary Shares shall confer upon the holders thereof the right, subject to the payment of (i) all dividends accrued and in arrears on the Preference Shares and the Preferred Ordinary Shares, and (ii) any redemptions of the Preference Shares, to receive a non-cumulative dividend ("the Ordinary Dividend") on each Ordinary Share at the rate of 5% per annum (exclusive of the imputed tax credit available to the Ordinary Shareholders) on the Issue Price of such Ordinary Shares.

6.4 Preference Shares and Preferred Ordinary Shares

6.4.1 In the event that by reason of any principle of law or otherwise, the Company is unable to pay in full on the due dates for payment under Articles 6.1 and 6.2 (each of which dates is in this paragraph referred to as a "Dividend Date") any instalment of the Preference Dividend or the Participating Dividend which would otherwise be required to be paid pursuant to Article 6.1 or 6.2 on that Dividend Date (in this paragraph any such dividend being hereinafter called a "Relevant Dividend", which expression shall also include such further dividend payable in respect thereof and calculated in accordance with the provisions of Article 6.4.2) then the following provisions shall apply:-

- (a) on the due Dividend Date the Company shall pay to the Preference Shareholders or the Preferred Ordinary Shareholders (as the case may be) on account of the Relevant Dividend the maximum sum (if any) which can then consistently with any such principle of law properly be paid by the Company and such sum shall be divided among the Preference Shareholders or the Preferred Ordinary Shareholders (as the case may be) pro rata to the number of Preference Shares or Preferred Ordinary Shares (as the case may be) held by them;

- (b) the Company shall pay the balance of the Relevant Dividend (whether in one or more instalments) as soon after the due Dividend Date as may then be consistent with any principle of law and such payment shall be made in priority to any dividend which shall have accrued on the same class of share in respect of a period subsequent to the due Dividend Date referred to in paragraph (a) above, and where any such payment shall be made in respect of both the Preference Shares and the Preferred Ordinary Shares as between each class in accordance with the priorities established by Article 6.1 and 6.2; and
- (c) subject only as aforesaid every sum which shall become payable by the Company on any date determined in accordance with these Articles shall on that date ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the holders of the Preference Shareholders and/or the Preferred Ordinary Shareholders (as the case may be).

6.4.2 In the event that any part of the Preference Dividend or Participating Dividend is not paid for any reason within 28 days of the due Dividend Date in accordance with Article 6.1 or 6.2 as appropriate, the amount of the overdue dividend shall be increased by way of a further cumulative dividend at the rate of 1% over the interest rate payable on the Working Capital Facility (as set out in Clause 3.1(e) of the Loan Agreement made on 23rd December 1992 between Fieldadmit Limited (now named AQ Holdings Limited) and the Governor and Company of Bank of Scotland, together with its transferees, successors and assignees) (exclusive of the associated tax credit available to shareholders) of such overdue dividend calculated on a daily basis and compounded with rests on 2nd January and 1st July in respect of the arrears of the Preference Dividends and on the date of each Annual General Meeting or, if earlier, on 31st March, in respect of the Participating Dividend. References in these Articles to the Preference Dividend or Participating Dividend shall include any further dividend calculated in accordance with this paragraph.

6.4.3 The Company shall procure that if any of its subsidiary undertakings have profits available for distribution such profits will to the extent necessary and so far as shall be lawful be distributed to the Company so as to enable the payment on the due Dividend Date of the Preference Dividend and Participating Dividend.

CAPITAL

7. In the event of a winding-up of the Company or other return of capital (but excluding the redemption of the Preference Shares in accordance with these Articles) any debts which have become due in accordance with Articles 6.1 to 6.4 shall only be paid in accordance with the provisions of this Article 7 and the assets of the Company available for distribution to shareholders remaining after payment of all other debts and liabilities of the Company and of the costs charges and expenses of such winding-up, shall be applied in the following manner and order of priority:-

- 7.1 First, in paying to the Preference Shareholders (in proportion to the numbers of Preference Shares held by them) all unpaid arrears and accruals of any Preference Dividend such arrears and accruals to be calculated down to and including the date of the payment and to be payable irrespective of what profits

(and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears and accruals have become due and payable in accordance with any of the provisions of Article 6.1 or 6.3;

- 7.2 Secondly, in paying to the Preference Shareholders (in proportion to the numbers of Preference Shares held by them) the Issue Price of such shares;
- 7.3 Thirdly, in paying to the holders of the Preferred Ordinary Shares (in proportion to the numbers of Preferred Ordinary Shares held by them) all unpaid arrears and accruals of any Participating Dividend such arrears and accruals to be calculated down to and including the date of repayment to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears and accruals have become due and payable in accordance with any of the provisions of Article 6.2 or 6.3;
- 7.4 Fourthly, in paying to the holders of the Preferred Ordinary Shares (in proportion to the numbers of Preferred Ordinary Shares held by them) the Issue Price of such shares;
- 7.5 Fifthly, in paying to the holders of Ordinary Shares (in proportion to the numbers of Ordinary Shares held by them) the Issue Price of such shares; and
- 7.6 Lastly, in distributing the balance amongst the holders of the Preferred Ordinary Shares and the Ordinary Shares *pari passu* as if they were all shares of the same class PROVIDED THAT after the distribution of the first £100,000,000 of such balance, the Deferred Shares (if any) shall be entitled to receive an amount equal to the nominal value of such Deferred Shares and provided further that if the winding-up or other return of capital occurs after the Publication Date such balance shall be distributed amongst the holders of the Preferred Ordinary Shares and Ordinary Shares *pro rata* to the number of Ordinary Shares such holders would have held had conversion of the Preferred Ordinary Shares and, where appropriate, the Ordinary Shares taken place on the Publication Date in accordance with Article 9.

REDEMPTION

8.1 Subject to the provisions of the Acts and with the consent or sanction of the holders of the Preference Shares given in accordance with Article 11 the Company shall have the right to redeem all or any of the Preference Shares for the time being outstanding and fully paid up.

8.2 On the earlier of a Change of Control a Listing or Sale the Preference Shares then in issue shall be redeemed in full.

8.3 To the extent not previously redeemed:-

- (a) 1,950,000 in number of the Preference Shares then in issue shall be redeemed on 31st December 1997; /

- (b) 1,950,000 in number of the Preference Shares then in issue shall be redeemed on 31st December 1998;
- (c) 1,950,000 in number of the Preference Shares then in issue shall be redeemed on 31st December 1999;
- (d) 1,950,000 in number of the Preference Shares then in issue shall be redeemed on 31st December 2000; and
- (e) all of the remaining Preference Shares then in issue shall be redeemed on 31st December 2001.

8.4 If by reason of the provisions of the Acts the Company is unable to redeem in full on the Redemption Date the Preference Shares falling for redemption on that date, the Company shall on the Redemption Date redeem as many of the Preference Shares as can consistently with the Acts be properly redeemed and the balance as soon thereafter as the Acts shall permit.

8.5 The Preference Shares to be redeemed in accordance with this Article 8 shall be selected as nearly as may be to ensure that the number of Preference Shares of each holder thereof is thereby reduced in the same proportion.

8.6 Upon any Redemption Date the Issue Price of the Preference Shares to be redeemed shall become a debt due and payable by the Company to the relevant Preference Shareholder ("the redemption monies") subject only to such Preference Shareholder delivering to the Company at its registered office the certificates for the shares to be redeemed or an indemnity in a form reasonably satisfactory to the Company in respect of any lost certificate. Upon such delivery the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register of Members of the Company in respect of such shares) the redemption monies against the delivery of a proper receipt. If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant Redemption Date a fresh certificate for such Preference Shares shall be issued to the holder or holders delivering such certificate to the Company as soon as practicable thereafter and in any event within 14 days thereafter.

8.7 There shall be paid on the redemption of each Preference Share an amount equal to the Issue Price together with all arrears and accruals of the Preference Dividend payable thereon in accordance with Article 6.1.2 (whether earned or declared or not) calculated up to and including the Redemption Date.

8.8 As from any relevant Redemption Date the Preference Dividend in respect of any Preference Shares falling to be redeemed on such date shall cease to accrue except on or in relation to any Preference Share in respect of which on due presentation of the certificate relating thereto, or an indemnity in a form reasonably satisfactory to the Board in respect of a lost certificate, payment of the redemption monies (and arrears of Preference Dividend) is refused.

CONVERSION

9.1 Immediately prior to the date of a Listing or Sale (a "Conversion Date") such number of Preferred Ordinary Shares shall convert into such number of fully paid Ordinary Shares such that immediately following conversion (but prior to the Listing or Sale) the former holders of the Preferred Ordinary Shares shall hold N% (or as near thereto as shall avoid the creation of a fraction of an Ordinary Share) of the ordinary share capital in issue immediately following conversion but prior to the Listing or Sale. The ordinary share capital in issue immediately following conversion shall for the purpose of this Article 9 be deemed to:-

9.1.1 include Ordinary Shares as may come into existence upon the exercise of any conversion rights attaching to any other securities of the Company issued prior to the Conversion Date; and

9.1.2 include any equity share capital issued or issuable whether pursuant to any Employee Share Scheme or otherwise.

The balance of Preferred Ordinary Shares not required to be converted in accordance with this Article 9.1 shall be converted into the same number of Deferred Shares.

9.2 N shall be calculated by reference to the Cumulative Profits in accordance with this Article 9.2.

(a) If the Conversion Date occurs prior to the Publication Date, N shall be determined by reference to the following table:-

Cumulative Profit (£000s')

N	Conversion Date before Publication Date	Conversion Date on or after the Publication Date
76	4,769 or less	8,336 or less
71.25	5,067	8,857
66.5	5,365	9,378
61.75	5,663	9,899
57	5,961 or more	10,420 or more

If the Cumulative Profit falls between two figures in the relevant column of the above table the exact value of N shall be extrapolated on a straight line basis between those two figures.

(b) Where there has been no Sale or Listing on or prior to the Publication Date then N shall be calculated by reference to the above table as if the Conversion Date had occurred on the Publication Date.

(c) For the purposes of this Article 9.2, "Cumulative Profit" shall mean the aggregate PBT for the completed Financial Periods of the Company and its subsidiary

undertakings in respect of which audited consolidated accounts have been approved by the Board on or prior to the Publication Date.

9.3 If conversion of all the Preferred Ordinary Shares into Ordinary Shares shall be insufficient to give the holders of the converted Preferred Ordinary Shares N% of the Ordinary Share capital calculated in the manner set out in Articles 9.1 and 9.2, such number of Ordinary Shares shall convert at the same time as the Preferred Ordinary Shares convert into the same number of Deferred Shares as will result in the holders of the converted Preferred Ordinary Shares holding N% of the Ordinary Share capital calculated in the manner aforesaid.

9.4 Any conversion pursuant to the rights granted by this Article 9 shall be made on the following terms:-

- 9.4.1 conversion shall take effect immediately on a Conversion Date at no cost to the holders thereof and the shares to be converted shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of shares of that class;
- 9.4.2 forthwith after the Conversion Date the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares and the Deferred Shares (as the case may be) resulting from the conversion and the certificates for the shares falling to be converted shall be deemed invalid for all purposes;
- 9.4.3 the Ordinary Shares arising on conversion of any Preferred Ordinary Shares shall in all respects rank as one uniform class of shares with the Ordinary Shares in the capital of the Company then in issue; and
- 9.4.4 any conversion of Preferred Ordinary Shares shall be without prejudice to the right of the holders of those shares immediately before conversion to any unpaid arrears or accruals of dividend whether or not the same shall have become due and payable as at conversion.

SHARE RIGHTS : DEFERRED SHARES

10.1 Deferred Shares

10.1.1 The rights attaching to the Deferred Shares shall be as follows:-

(a) Income and Capital

Save as provided in Article 7 the holders of the Deferred Shares shall not be entitled to any participation in the profits or the assets of the Company.

(b) Voting

The Deferred Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company by virtue or in respect of their holding of such Deferred Shares.

10.1.2 Conversion of Preferred Ordinary Shares and Ordinary Shares shall be deemed to confer an irrevocable authority on the Company at any time:-

- (a) to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same for no consideration to such person as the Company may determine as custodian thereof; and/or
- (b) to purchase the same (in accordance with the provisions of the Acts) for not more than an aggregate sum of 1p for all the Deferred Shares without obtaining the sanction of the holder or holders thereof and for the purposes of such purchase to appoint a person to execute on behalf of any holder of the Deferred Shares a contract for the sale to the Company of any such shares held by such holder; and
- (c) pending such transfer and/or purchase to retain the certificates for such Deferred Shares.

10.2 Sale of Share Capital of the Company

In the event of a Sale then notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling members immediately prior to such Sale shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling members in the following order of priority:-

- (a) First, in paying to members selling Preference Shares (in proportion to the numbers of Preference Shares being sold by them) an amount equal to all unpaid arrears and accruals of any Preference Dividend (if any);
- (b) Secondly, in paying to members selling Preference Shares (in proportion to the numbers of Preference Shares being sold by them) the Issue Price; and
- (c) Thirdly, in paying the balance to members selling Ordinary Shares (which, for the avoidance of doubt, shall include Ordinary Shares arising on conversion of Preferred Ordinary Shares pursuant to Article 9 as a result of such Sale) in proportion to the number of Ordinary Shares held by each such member SAVE THAT where the application of this paragraph (c) would result in those members selling Ordinary Shares that were previously represented by Preferred Ordinary Shares receiving, in respect of those Ordinary Shares, an amount less than a sum (the "Minimum Entitlement") equal to the Issue Price of the Preferred Ordinary Shares represented by those Ordinary Shares, together with all arrears and accruals of Preferred Dividend and Participating Dividend determined in accordance with Article 6.2, then out of the said balance a sum equal to the Minimum Entitlement shall be apportioned among those members pro rata to those Ordinary Shares being sold by them that were previously represented by Preferred Ordinary Shares and the remaining balance shall be apportioned amongst the other members selling Ordinary Shares pro rata to the number of Ordinary Shares being sold.

VARIATION OF RIGHTS

11.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the consent in writing of the holders of more than three-fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person his proxy or duly authorised representative of such shareholder (but so that if, at any adjourned meeting of such holders, a quorum as above defined is not present those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

11.2 Without prejudice to the restrictions contained in these Articles as to the modifications of rights attached to any class of shares in the Company

- (a) the prior consent or sanction of the Preference Shareholders (given in accordance with the provisions of Article 11.1) shall be required for:-
 - (i) the creation or issue of further Preference Shares; or
 - (ii) a reduction in the share capital of the Company
- (b) provided that none of the events set out in Article 16.5 has taken place, the prior consent or sanction of the holders of more than three-fourths of the issued Ordinary Shares shall be required for:-
 - (i) any alteration to the conversion rights of the Preferred Ordinary Shares set out in Article 9; or
 - (ii) a Sale or a Listing prior to 31 December 1995
 - (iii) the creation allotment or issue of any shares or securities by the Company or the grant of any right to require the allotment or issue of any such shares or securities (other than the creation, allotment or issue of any shares or securities pursuant to any Employee Share Scheme, and save as may be necessary to effect the conversion of the Preferred Ordinary Shares and Ordinary Shares pursuant to these Articles);
 - (iv) the increase, reduction, repayment, purchase or repurchase, subdivision, consolidation or other variation of the share capital of the Company or the reduction of the amount, if any, standing to the credit of any non-distributable reserve including the share premium account or capital redemption reserve except for the specific purposes set out

in these Articles or as permitted by Sections 130(2) and 170(4) of the Act;

- (v) the making of any change in the nature of its business, or permitting the making of any change in the nature of the business of any subsidiary of the Company as at the date of adoption of these Articles of Association or, in the case of a subsidiary acquired thereafter, as at the date of such acquisition, which change (in each case) would be material in the context of the Group;
- (vi) the amendment of any provision of the Memorandum of Association or Articles of Association of the Company;
- (vii) subject to the provisions of Article 15.10.2, the registration prior to 31st December 1995 of any transfer of any Preferred Ordinary Shares or Ordinary Shares in favour of any person firm or company (whether or not a member of the Company on the date of adoption of these Articles) (the "transferee") or the nominee or nominees of such transferee if such transferee together with connected persons or persons acting in concert (if any) would thereby acquire or already holds shares or rights over shares conferring 30 per cent. or more of the voting rights normally exercisable at general meeting of the Company;
- (viii) subject to the provisions of Article 15.10.2 the registration of any transfer of any Preferred Ordinary Shares or Ordinary Shares in favour of any person, firm or company (whether or not a member at the date of adoption of these Articles) (the "transferee") or the nominee or nominees of such transferee if such transferee together with connected persons (if any) would thereby acquire or already holds shares or rights over shares representing 25 per cent. or more in nominal value of the Preferred Ordinary Shares or Ordinary Shares then in issue (as the case may be) and an Appropriate Offer shall not have been made in accordance with the provisions of Article 15.10;

so that the rights contained in this Article shall be a right attaching to the Preference Shares and/or the Ordinary Shares (as appropriate) as a class for the purposes of Section 125 of the Act.

11.3 Without prejudice to the restrictions contained in these Articles as to the modification of rights attached to any class of shares in the Company, the prior consent or sanction of the holders of the Preferred Ordinary Shares (given in accordance with the provisions of Article 11.1) shall be required prior to the happening of any of the matters set out in Article 11.4 in respect of the Company or any of its subsidiaries (so that references to "the Company" shall include references to each subsidiary of the Company). The rights contained in this Article 11.3 shall be rights attaching to the Preferred Ordinary Shares as a class for the purposes of Section 125 of the Act.

11.4 The matters referred to in Article 11.3 are as follows:-

- 11.4.1 the creation allotment or issue of any shares or securities by the Company or the grant of any right to require the allotment or issue of any such shares or securities (other than the creation allotment or issue of any shares or securities pursuant to any Employee Share Scheme, and save as may be necessary to effect the conversion of the Preferred Ordinary Shares and Ordinary Shares pursuant to these Articles);
- 11.4.2 the undertaking or entering into of any transaction (after the date of the adoption of these Articles) which, if the Company were listed on the London Stock Exchange, would constitute a transaction falling within Class 1 as defined for the purposes of the regulations of the London Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries;
- 11.4.3 the increase, reduction, repayment, purchase or repurchase, subdivision, consolidation or other variation of the share capital of the Company or the reduction of the amount, if any, standing to the credit of any non-distributable reserve including the share premium account or capital redemption reserve except for the specific purposes set out in these Articles or as permitted by Sections 130(2) and 170(4) of the Act;
- 11.4.4 the making of any change in the nature of its business, or permitting the making of any change in the nature of the business of any subsidiary of the Company as at the date of adoption of these Articles of Association or, in the case of a subsidiary acquired thereafter, as at the date of such acquisition, which change (in each case) would be material in the context of the Group;
- 11.4.5 the amendment of any provision of the Memorandum of Association or Articles of Association of the Company;
- 11.4.6 a Sale or a Listing prior to 31st December 1995;
- 11.4.7 subject to the provisions of Article 15.10.2, the registration of any transfer of any Preferred Ordinary Shares or Ordinary Shares in favour of any person firm or company (whether or not a member of the Company on the date of adoption of these Articles) (the "transferee") or the nominee or nominees of such transferee if such transferee together with connected persons or persons acting in concert (if any) would thereby acquire or already holds shares or rights over shares conferring 30 per cent. or more of the voting rights normally exercisable at general meeting of the Company;
- 11.4.8 subject to the provisions of Article 15.10.2 the registration of any transfer of any Preferred Ordinary Shares or Ordinary Shares in favour of any person, firm or company (whether or not a member at the date of adoption of these Articles) (the "transferee") or the nominee or nominees of such transferee if such transferee together with connected persons (if any) would thereby acquire or already holds shares or rights over shares representing 25 per cent. or more in nominal value of the Preferred Ordinary Shares or Ordinary Shares then in issue (as the case may be) and an Appropriate Offer shall not have been made in accordance with the provisions of Article 15.10;

- 11.4.9 any change in the accounting reference date of the Company;
- 11.4.10 the declaration making or payment of any dividend or other distribution to the holders of the Ordinary Shares other than pursuant to Article 6.3;
- 11.4.11 the creation, extension or variation of any guarantees save as implied by law or otherwise in the ordinary course of the supply of goods and services by the Company;
- 11.4.12 the creation, extension or variation of any mortgage or charge otherwise than in favour of the Company's bankers to secure any borrowing facilities made available in the normal course of business;
- 11.4.13 the giving of notice of any resolution to wind up the Company or the filing of any petition for the appointment of an Administrator or the invitation to any person to appoint an Administrative Receiver;
- 11.4.14 the lending of money other than up to £50,000 to the Employee Trust;
- 11.4.15 any alteration to the terms of any employment contract or any contract for services or consultancy or service agreement to which the Company and any Manager or any person in receipt of emoluments in excess of £30,000 per annum Index-linked is a party or any increase in or variation in the basis of calculating the remuneration paid by the Company (including any salary, fee, bonus or commission entitlement or arrangement or pension contribution but excluding increases arising by reason of contractual entitlement) to any Ordinary Shareholder who is a Director and/or any person who is a connected person to such Ordinary Shareholder (taking all such Ordinary Shareholders both severally and also as one person);
- 11.4.16 the appointment to or removal (other than a removal under Article 18) from office of any Director or Chairman of the Company and the appointment or termination of any employment of any employee from time to time of the Company whose basic salary (including pension contributions) is or is to be in excess of £30,000 per annum Index-linked;
- 11.4.17 after the date of the adoption of these Articles any acquisition or disposal (including any purchase, sale, transfer, lease, licence, hire purchase or otherwise howsoever) of any asset (excluding any acquisition or disposal of a company or undertaking (or part thereof) which shall be governed by Article 11.4.2 above) of the Company which is material to the business of the Company, or for a consideration or having a value:-
 - (a) of more than £200,000; or
 - (b) of more than £20,000 but equal to or less than £200,000 if to proceed with such acquisition or disposal would cause the aggregate of the consideration or values of such items so acquired or disposed of during the then current financial period of the Company to exceed £200,000;

- 11.4.18 after the date of adoption of these Articles the entering into of any agreement or commitment or the variation of any agreement or commitment (excluding for the purposes of this paragraph any agreement or commitment of a type contemplated by Article 11.4.17 above (whether or not the consideration or value concerned is sufficient for the agreement or commitment to fall within Article 11.4.17) or the acquisition or disposal of the whole or any part of any undertaking or the acquisition or disposal of any shares in the capital of any company where such agreement, commitment, establishment, acquisition or disposal is material in the context of the Company and its subsidiaries taken as a group;
- 11.4.19 (a) the adoption of a consolidated budget (which shall be prepared by the Board in relation to each Financial Period of the Company and which shall indicate the amount and nature of revenue and capital expenditure proposed to be incurred by the Company and its subsidiaries during such year, and shall be accompanied by a profit and loss budget and cash forecast or projection of the appropriate periods over the ensuing Financial Period and a forecast year end balance sheet of the Company and its subsidiaries);
- (b) the entering into of commitments in respect of capital expenditure forecast for any Financial Period until the budget in respect of such Financial Period shall have been adopted;
- (c) any material revision to the budget;
- 11.4.20 after the date of the adoption of these Articles the undertaking or entering into of any transaction of any nature whatsoever otherwise than by way of bargain at arm's length and upon normal commercial terms or otherwise than in the normal course of business of the Company including:-
- (a) any transaction which, if the Company were listed on the London Stock Exchange, would constitute a transaction falling within Class 4 as defined from time to time for the purposes of the regulations of the London Stock Exchange; and
- (b) any transaction in which any Executive Director or Ordinary Shareholder or any person connected with any Executive Director or Ordinary Shareholder is interested directly or indirectly;
- 11.4.21 any change in accounting policies or principles and the basis of their application save as may be required from time to time to comply with changes in the law or with Statements of Standard Accounting Practice or made with the prior approval of the Auditors of the Company;
- 11.4.22 the acquisition or formation of any subsidiary undertaking other than any undertaking to be trustee of the Employee Trust;
- 11.4.23 any change in the Auditors of the Company unless they resign voluntarily;

- 11.4.24 the entry into of any contract or agreement for the acquisition of freehold or leasehold real property;
- 11.4.25 (a) the establishment of any new profit sharing, bonus or incentive scheme giving rise to payment of emoluments for any Financial Period in excess of amounts provided for in the budget for such Financial Period;
- (b) the variation of any existing profit sharing, bonus or incentive scheme so as to give rise to any excess payment as aforesaid;
- (c) the establishment of any share option scheme or shadow share option scheme;
- (d) any variation to the Employee Trust, any acquisition by the Employee Trust of any shares (other than 52,632 Ordinary Shares at 95p per share) and the disposal by the Employee Trust of any shares;
- (e) the variation of any pension or life insurance scheme so as to give rise to payment of contributions or emoluments in excess of amounts provided for in the budget for the relevant Financial Period; or
- (f) the increase of the remuneration of any Director of the Company or the remuneration payable to any shareholder of the Company in any one year.

SUBSCRIPTION RIGHTS

12.1 Notwithstanding anything contained in these Articles and subject to any direction or authority contained in any resolution of the Company the Board is generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot relevant securities PROVIDED THAT the authority hereby granted to the Board:-

12.1.1 shall not permit the Board to allot relevant securities of an amount in excess of the unissued share capital of the Company immediately following the adoption of these Articles;

12.1.2 shall expire on the fifth anniversary of the date of the adoption of these Articles save that the Board may after the expiry of the said authority allot any relevant securities in pursuance of an offer or agreement made by the Company before the said authority expired.

12.2 Save in respect of any rights granted or to be granted over, or any allotment of, Ordinary Shares or Preferred Ordinary Shares pursuant to any Employee Share Scheme, or Article 9.3 and save as may be determined by the Company in general meeting all equity securities which the Company propose to allot wholly for cash shall first be offered for subscription to the holders of Ordinary Shares and Preferred Ordinary Shares (which for these purposes shall be treated as one class of share) in the proportion that the aggregate nominal value of such shares for the time being held respectively by each such holder bears to the total number of such shares in issue and such offer shall be made by notice in writing

specifying the number of shares to which the holder is entitled and limiting a time (being not less than four weeks) within which the offer if not accepted will be deemed to be declined. Shareholders who accept the offer shall be entitled to indicate that they would accept, on the same terms, shares (specifying a maximum number) that have not been accepted by other shareholders ("Excess Shares") and any Excess Shares shall be allotted to shareholders who have indicated they would accept Excess Shares. Excess Shares shall be allotted pro rata to the aggregate number of Ordinary Shares and Preferred Ordinary Shares held by shareholders accepting Excess Shares providing that no such shareholder shall be allotted more than the maximum number of Excess Shares such shareholder has indicated he is willing to accept. After the expiration of such time or upon receipt by the Company of an intimation from the holder to whom such notice is given that he declines to accept the shares so offered the Board may dispose of the same in such manner as they may think most beneficial to the Company. If owing to the inequality in the number of new shares to be issued and the number of shares held by holders entitled to receive the offer of new shares any difficulty shall arise in the apportionment of any such new shares amongst the holders such difficulty shall in the absence of direction by the Company be determined by the Board. The provisions of Section 89(1), Section 90(1) to (6)(inclusive) of the Companies Act 1985 shall not apply to the Company.

LIEN

13. The lien conferred by Regulation 8 of Table A shall attach also to fully paid up shares and to all shares registered in the name of any person indebted or under liability to the Company whether he shall be the sole registered holder hereof or shall be one of two or more joint holders.

TRANSFER OF SHARES - GENERAL

14. Subject as hereinafter provided, no transfer of any share in the capital of the Company shall be made or registered without the previous sanction of the Board which may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share whether or not it is a fully paid share PROVIDED ALWAYS THAT the Board shall only sanction (and in the following circumstances will sanction) any transfer made in accordance with the provisions of these Articles (and in particular Article 15.3) unless the registration thereof would permit the registration of a transfer of shares on which the Company has a lien.

15.1 For the purpose of this Article the following shall be deemed (but without limitation) to be a transfer by a member of shares in the Company:-

- (1) any direction (by way of renunciation or otherwise) by a member entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
- (2) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing.

15.2 Except as hereinafter provided no share in the Company or any beneficial interest therein shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.

TRANSFER OF SHARES - EXCEPTION TO PRE-EMPTION

15.3.1 Any member being a body corporate ("the Original Member") shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being hereinafter referred to as a "Group Company") but if a Group Company whilst it is a member shall cease to be a Group Company in relation to the Original Member it shall within 21 days of so ceasing transfer the shares held by it to the Original Member or any Group Company of the Original Member and failing such transfer the member shall be deemed to have given a Transfer Notice pursuant to Article 15.4.

15.3.2 Subject as herein provided any member who is an individual may transfer all or any of his shares or any beneficial interest therein for whatever consideration to his or her spouse or adult children or adult step-children (together "Privileged Members") or to the trustee or trustees of a family trust set up wholly for the benefit of one or more of the transferor's Privileged Members or his minor children or minor step-children and of which the said member is the settlor PROVIDED THAT a member acquiring shares pursuant to this Article 15.3.2 shall not have the like right unless the transfer is to the person from whom he, she or they took the shares in the first instance or, in the case of a transfer by trustees, to persons beneficially entitled under such trusts.

15.3.3 Any member may at any time transfer any shares in accordance with the provisions of the Acts to the Company.

15.3.4 Any member may at any time transfer all or any of his shares to any other person with the prior written consent of the holders of 75% in nominal value of the equity share capital of the Company for the time being.

15.3.5 Any share held by an investment trust company (as defined for the purposes of the Rules of the London Stock Exchange) whose shares are listed on the London Stock Exchange may be transferred to another such investment trust company (hereinafter called the "transferee");-

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

PROVIDED ALWAYS THAT if the requirements of paragraphs (a) and (b) above cease to be satisfied in relation to the transferee, it shall within 21 days of so ceasing transfer the shares previously transferred to it pursuant to this Article 15.3.5 to the first mentioned investment trust company or such other company which in relation to the first mentioned investment trust company shall satisfy the requirements of paragraphs (a) and (b) above and failing any such transfer the transferee shall be deemed to have given a Transfer Notice in respect of such shares pursuant to Article 15.4.

15.3.6 Any shares which are held by or on behalf of any collective investment scheme within the meaning of Section 75 of the Financial Services Act 1986 (as the same may be amended, modified or replaced from time to time) may be transferred to participants (within the meaning of the said Section as the same may be amended, modified or replaced from time to time) in the scheme in question.

15.3.7 Any member may transfer shares to a nominee or trustee for that member alone and any nominee or trustee of any person or persons may at any time transfer any shares to that other person or persons or to another nominee or trustee for that other person or persons PROVIDED THAT no beneficial interest in such shares passes by reason of such transfer.

15.3.8 Any shares may be transferred pursuant to the acceptance of an Appropriate Offer.

15.3.9 Any Shares may be transferred by any member ("the Transferor") to any entity (or a nominee of or trustee for such entity) which is advised or managed by a holder of Preferred Ordinary Shares (or by a holding company or subsidiary of such holder) or to any other person who is a manager or trustee of such entity or to any holders of units in any such entity or to any partner in any limited partnership which is or of which the general partner is a subsidiary of a holder of Preferred Ordinary Shares or to or on behalf of any employee of any manager or adviser of any such entity.

TRANSFERS - PRE-EMPTION

15.4.1 Any member holding shares who wishes to transfer such shares (the "Vendor") otherwise than in accordance with Article 15.3 shall give notice in writing (the "Transfer Notice") to the Company of his wish specifying:-

- (a) the number and class(es) of shares which he wishes to transfer;
- (b) the name of any third party to whom he proposes to sell or transfer the shares;
- (c) the price at which he wishes to transfer the shares ("the Transfer Price"). In respect of a Transfer Notice in respect of Ordinary Shares actually given (but not deemed to be given) by any member who does not also hold Preferred Ordinary Shares or who is an Employee, the Transfer Price shall be as agreed between the Board and the member or failing agreement fair value as determined by the Auditors pursuant to Article 15.12. In respect of a transfer of Preference Shares or Preferred Ordinary Shares, the Transfer Price shall be deemed to be fair value as determined by the Auditors pursuant to Article 15.12 if no price is specified; and
- (d) whether or not the Transfer Notice is conditional upon all and not part only of the shares so specified being sold pursuant to the offer hereinafter mentioned and in the absence of such stipulation it shall be deemed not to be so conditional.

15.4.2 Where any Transfer Notice is deemed to have been given in accordance with Article 15.11, the deemed Transfer Notice shall be treated as having specified:-

- (a) that all the shares registered in the name of the Vendor shall be included for transfer;
- (b) that the price for the shares shall be (i) in respect of a Transfer Notice in respect of Ordinary Shares in circumstances constituting the relevant Employee an Involuntary leaver, the fair value as determined by the Auditors pursuant to Article 15.12, or (ii) in respect of a Transfer Notice in respect of Ordinary Shares in circumstances constituting the relevant Employee a Voluntary leaver, the lower of the Issue Price and fair value as determined by the Auditors pursuant to Article 15.12; and
- (c) that no condition as referred to in Article 15.4.1(d) shall apply.

15.4.3 No Transfer Notice once given or deemed to be given in accordance with this Article 15 shall be withdrawn unless the Vendor is obliged to procure any matter specified in Article 15.10 and is unable so to procure. In that event the Vendor shall be bound to withdraw such Transfer Notice, without liability to any person, within the period specified in Article 15.9 in respect of the Sale Shares.

15.5 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the shares specified therein (the "Sale Shares") at the Transfer Price.

15.6.1 The Company shall as soon as practicable following receipt of a Transfer Notice give notice in writing to each of the members of the Company informing them that the Sale Shares are available and of the Transfer Price and shall invite each member to state in writing within twenty-one days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares. Sale Shares of a particular class specified in column (1) below shall be treated as offered in the first instance to all other persons (other than the Vendor) in the category of persons set out in the corresponding line of Column (2) below in priority to all other classes of shareholder and in so far as such offer shall not be accepted by such persons shall be treated as having been offered to all of the members holding the classes of shares shown in Columns (3), (4) and (5) below in that order of priority as regards acceptances:-

(1)	(2)	(3)	(4)	(5)
<u>Sale Shares</u>	<u>Offered First to</u>	<u>Offered Secondly to</u>	<u>Offered Thirdly to</u>	<u>Offered Fourthly to</u>
Ordinary Shares	Employees and/or Employee Trust	Ordinary Shares	Preferred Ordinary Shares	Preference Shares
Preferred Ordinary Shares	Preferred Ordinary Shares	Ordinary Shares	Preference Shares	-

(1)	(2)	(3)	(4)	(5)
<u>Sale Shares</u>	<u>Offered First to</u>	<u>Offered Secondly to</u>	<u>Offered Thirdly to</u>	<u>Offered Fourthly to</u>
Preference Shares	Preference Shares	Preferred Ordinary Shares	Ordinary Shares	-

15.6.2 The Sale Shares shall be offered to each class of shareholder on terms that in the event of competition the Sale Shares offered shall be sold to the members accepting the offer in proportion (as nearly as may be) to their existing holdings of shares of the class to which the offer is made and in the case of an offer to Employees and/or an Employee Trust in such proportion as between Employees on the one hand and the Employee Trust on the other as the Board may determine (the "Proportionate Entitlement"). It shall be open to each such member to specify if he is willing to purchase shares in excess of his proportionate entitlement ("Excess Shares") and if the member does so specify he shall state the number of Excess Shares.

15.6.3 After the expiry of the offers to be made pursuant to Article 15.6.1 above or sooner if all the Sale Shares offered shall have been accepted in the manner provided in Article 15.6.1 above, the Board shall, in respect of each offer made to the categories of persons referred to in Columns (2) to (5) (inclusive) in Article 15.6.1 above, allocate the Sale Shares in the following manner:-

- (a) if the total number of shares applied for is equal to or less than the available number of Sales Shares the Company shall allocate the number applied for in accordance with the applications; or
- (b) if the total number of shares applied for is more than the available number of Sale Shares, each member shall be allocated his Proportionate Entitlement or such lesser number of Sale Shares for which he may have applied and applications for Excess Shares shall be allocated (as nearly as may be) to each member applying for Excess Shares in the proportion which shares of the relevant class held by such member bears to the total number of shares of that class held by all such members bear to one another;

and in either case the Company shall forthwith give notice of each such allocation (an "Allocation Notice") to the Vendor and each of the persons to whom Sale Shares have been allocated (a "Member Applicant") and shall specify in the Allocation Notice the place and time (being not later than fourteen days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed **SAVE THAT** the transfer and completion of the sale of the Sale Shares shall not be sanctioned or effected by the Board if such transfer obliges the Vendor to procure the making of an Appropriate Offer in accordance with Article 15.10 below, and no such Offer has been made and completed.

15.7 Subject to Article 15.8 below, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified. If he makes default in so doing the Chairman for the time being of

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the Company or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant shares to the Company when he shall thereupon be paid the purchase money.

15.8 If the Vendor shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation open for 28 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this Article shall be conditional upon such provision as aforesaid being complied with in full.

15.9 In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article the Vendor may at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted transfer any Sale Shares not sold to any person or persons at any price not less than the Transfer Price PROVIDED THAT:-

- (a) the Board shall be entitled to refuse registration of the proposed transferee if he is or is believed to be a nominee for a person reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Company and its subsidiaries and if such transfer was registered more than 10% of the equity share capital of the Company would be held by or by nominees for competitors or persons connected with competitors of the business of the Company and its subsidiaries PROVIDED THAT the Board shall not be so entitled if the effect of such transfer would oblige the Vendor to procure the making of an Appropriate Offer in accordance with Article 15.10 below and such offer has been made and completed;
- (b) if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Vendor shall not be entitled, save with the written consent of all the other members of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
- (c) any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer; and

- (d) the Board shall refuse registration of the proposed transferee if such transfer obliges the Vendor to procure the making of an Appropriate Offer in accordance with Article 15.10 below, until such time as such offer has been made and completed.

APPROPRIATE OFFERS

15.10.1 Subject to Article 15.10.2 if the effect of any transfer of shares by a Vendor would, if completed, be to enable any person or persons connected with each other **SAVE THAT** none of the Subscribers shall be treated as so connected or persons acting in concert with each other:-

- (a) to obtain Control over or increase Control beyond that number of shares in the Company which in aggregate confer 30 per cent or more of the voting rights normally exercisable at general meetings of the Company; or
- (b) to obtain Control over or increase control beyond 25 per cent in nominal value of the Preferred Ordinary Shares or the Ordinary Shares of the Company then in issue;

the Vendor shall procure the making by the proposed transferee of the Vendor's shares of an Appropriate Offer to all of the other members of the Company (other than any person or persons connected with each other or acting in concert with each other who shall as a consequence of the proposed transfer obtain or, where relevant, increase such Control). Every shareholder on receipt of an Appropriate Offer shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Appropriate Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer.

15.10.2 The provisions of Articles 11.4.7, 11.4.8 and 15.10.1 shall not apply to any transfer of shares:-

- (a) pursuant to Article 15.3;
- (b) to any Subscriber or the nominee for any such Subscriber or to any person who has acquired shares pursuant to a transfer permitted by Article 15.3.

15.10.3 For the purposes of these Articles "Control" shall mean the right by virtue of holding shares in, or the possession of voting power in or in relation to, the Company (other than Preference Shares) or any other body corporate to exercise or procure the exercise of the voting rights attached to the relevant shares.

15.10.4 "Appropriate Offer" shall mean an unconditional offer, open for acceptance for not less than 28 days, to purchase the Ordinary Shares and Preferred Ordinary Shares held by the recipients of an Appropriate Offer at a price equal to the higher of:-

- (a) fair value for the Ordinary Shares and Preferred Ordinary Shares taken as one class determined by the Auditors pursuant to Article 15.13 below apportioned between each class in accordance with the percentage of the equity share capital

attributable to each class assuming conversion of the Preferred Ordinary Shares and where appropriate, the Ordinary Shares in accordance with Article 9; or

- (b) par; or
- (c) the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any person or persons referred to in Article 15.10.1 for the Ordinary Shares or the Preferred Ordinary Shares in the Company (inclusive of the shares giving rise to the obligation to make the Appropriate Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares plus such further amount equal to any other consideration (in cash or otherwise) received or receivable by the holders of such shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for such shares, multiplied by the number of Ordinary Shares and Preferred Ordinary Shares and apportioned between each class in the manner referred to in paragraph (a) above.

PROVIDED THAT the amount paid for each Preferred Ordinary Share shall be increased by the amount of all dividends in arrear or accrued up to the date of the Appropriate Offer.

15.10.5 In the event of disagreement, the calculation of the relevant Appropriate Offer price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding in the absence of manifest error.

DEEMED TRANSFERS

15.11.1 Save as provided in Article 15.11.3, any member of the Company who is a director or Employee of the Company or any of its subsidiaries (a "Retiring Member") or is a person or persons to whom shares formerly held by a Retiring Member have been transferred (whether or not by the Retiring Member) pursuant to Article 15.3 (other than Article 15.3.8) shall, upon the Retiring Member being declared bankrupt or ceasing for whatever reason to be a director or Employee of the Company or any of its subsidiaries, be deemed to have given (immediately before the happening of such event) a Transfer Notice in accordance with Article 15.4 above in respect of all shares then held by such member save that where such director or Employee is a Retiring Member solely by reason of his becoming a part time employee of the Company or any of its subsidiaries, the Board may in its absolute discretion waive the application of this Article 15.11.

15.11.2 As from the date a Transfer Notice is deemed to have been given pursuant to Article 15.11.1 the shares in respect of which such notice is given shall cease to entitle the holder thereof to any voting rights otherwise attaching to such shares or to any further shares issued in right of such shares or in pursuance of any offer made to the holder thereof until such time as the provisions of Articles 15.4 to 15.8 have been complied with.

15.11.3 Notwithstanding the provisions of Article 15.11.1, Brian Slythe and any person or persons to whom shares formerly held by him are transferred (whether or not by him) pursuant to Article 15.3 (other than Article 15.3.8) shall, upon Brian Slythe ceasing to be

an Employee on or after 1st June, 1996, not be required to transfer 50 per cent of the shares held by him or such person or persons provided that the following conditions shall have been satisfied:-

- a) Brian Slythe having recruited an individual to replace him as sales director of the Company (the "new sales director");
- b) the Board having confirmed in writing to Brian Slythe that the new sales director is satisfactory to it; and
- c) the new sales director being an Employee (and not under notice whether given or received) at the date Brian Slythe ceases to be an Employee.

TRANSFERS - MISCELLANEOUS

15.12.1 In the event that the Auditors are required to determine the price at which shares are to be transferred pursuant to these Articles such price shall be the amount the Auditors shall on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this Article 15.12 is required) certify in writing to be the price which in their opinion represents a fair value for such shares as between a willing vendor and a willing purchaser as to the date the Transfer Notice or deemed Transfer Notice is given and, in making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles (and shall assume that the entire issued share capital of the Company is being sold).

15.12.2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be final and binding on the parties.

15.12.3 The costs of the Auditors shall be borne by the Company unless in the case of a determination required pursuant to the provisions of Article 15.4.2 the amount determined by the Auditors is less than that suggested by the Board in which event the costs of the Auditors shall be borne by the Vendor.

15.13.1 For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given hereunder or an Appropriate Offer is required to be or ought to have been made the Board may, and shall if so requested by any holder of Preferred Ordinary Shares from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board or any such holder may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names addresses and interests of all persons respectively having interests in the shares from time to time registered in the member's name.

15.13.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice is required to be or

ought to have been given or that no Appropriate Offer is required to be or ought to have been made or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice is required to be or ought to have been given or that an Appropriate Offer is required to be or ought to have been made:-

- (a) a Transfer Notice shall be deemed to have been given by the holder of the relevant shares in respect of such shares, where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given; or
- (b) where the purpose of the enquiry by the Board was to establish whether an Appropriate Offer is required to be or ought to have been made, then in respect of the shares conferring Control for the purpose of Article 15.10 above shall cease to entitle the holder thereof to any voting rights otherwise attaching to such shares or to any further shares issued in right of such shares or in pursuance of any offer made to the holder thereof, until such time as an Appropriate Offer has been made and completed.

VOTING RIGHTS

16.1 Regulation 54 of Table A shall be modified in accordance with the following provisions of this Article.

16.2 A proxy shall be entitled to vote on a show of hands.

16.3 On a poll every member shall have one vote for every Preferred Ordinary Share or Ordinary Share of which he is the holder and which is fully paid up or credited as fully paid. PROVIDED THAT following the Publication Date and to the exclusion of the foregoing provision of this Article 16.3 each holder of Preferred Ordinary Shares and Ordinary Shares shall, in respect of such holdings, be entitled to the vote for every one Ordinary Share that they would have held, had conversion of the Preferred Ordinary Shares and, where appropriate, the Ordinary Shares taken place on the Publication Date in accordance with Article 9.

16.4 Subject to Article 16.5 below, the Preference Shares shall not carry any rights to vote at a general meeting.

16.5 In the event that:-

16.5.1 for whatever reason any dividend on the Preference Shares is not paid within 3 months of the due dividend date in accordance with Article 6.1; or

16.5.2 the profits of the Company, as derived from the appropriate management accounts, for any period in respect of which the instalment of the Preference Dividend is to be paid and after applying thereto a notional rate of tax equal to the corporation tax rate from time to time, are not equal to or in excess of the instalment of the Preference Dividend payable in respect of that period; or

16.5.3 in the event that the Preference Shares have not been redeemed upon the happening of the events or on the dates referred to in Article 8 hereof

(notwithstanding as referred to in Article 8 the Company is unable to redeem the shares upon the happening of such event); or

- 16.5.4 the business of the meeting includes a resolution for the winding-up of the Company, a reduction in the capital of the Company or a resolution adversely altering, varying or abrogating any of the special rights and privileges attaching to the Preference Shares;
- 16.5.5 there has been any breach by the Company or the executive Directors of any of the provisions of these Articles, any such breach (not having been waived) remaining unremedied for more than 21 days after notice thereof has been given to the Company or the Directors (as appropriate by the Preference Shareholders);

then each Preference Share shall be entitled to one vote: in the case of paragraph 16.5.1 until the due payment of such dividends; in the case of paragraph 16.5.2 until cumulative profits (computed as aforesaid) for the said period and subsequent periods are equal in amount to the cumulative instalments of the Preference Dividend for the same period; in the case of paragraph 16.5.3 until the Preference Shares required to be redeemed pursuant to Article 8 have been so redeemed; in the case of paragraph 16.5.4 only on any such resolution as is there mentioned; and in the case of paragraph 16.5.5 (unless it has been waived) for so long as the breach remains unremedied.

APPOINTMENT OF DIRECTORS

- 17.1 Regulation 64 in Table A shall not apply to the Company.
- 17.2 The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whensoever the minimum number of Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Regulation 89 in Table A shall be modified accordingly.
- 17.3 The Directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 17.4 No person shall be appointed a Director at any general meeting unless either:-
- (a) he is recommended by the Directors; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

17.5 Subject to paragraph 17.4 above, the Company may by Ordinary Resolution in general meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

17.6 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph 17.2 above as the maximum number of Directors and for the time being in force.

17.7 In any case where as the result of the death of a sole member of the Company the Company has no members and no Directors the personal representatives of such deceased member shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in general meeting pursuant to paragraph 17.5 of this Article.

ALTERNATE DIRECTORS

18.1 An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 in Table A shall be modified accordingly.

18.2 A Director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Board or of any committee of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

PROCEEDINGS OF DIRECTORS

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

19.2 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

BORROWING POWERS

20. Subject as provided in these Articles the Board may exercise all the powers of the Company (whether express or implied):-

- (i) of borrowing or securing the payment of money;

- (ii) of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts;
- (iii) of entering into leasing, hire or credit purchase transactions; and
- (iv) of mortgaging or charging the property assets and uncalled capital of the Company and issuing debentures.

THE SEAL

21.1 If the Company has a seal it shall only be used with the authority of the Board or a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or a second Director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.

21.2 The Company may exercise the powers conferred by Section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

INDEMNITY

22.1 Every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted 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. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Companies Act 1985.

22.2 The Board shall have the power to purchase and maintain for any Director, officer or auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Companies Act 1985.

22.3 Regulation 118 in Table A shall not apply to the Company.

23. The rights attaching to the 'A' Ordinary Shares of 10p each in the capital of the Company are as follows:-

- (i) on 1st September 1995, unless the holders for the time being of the majority in nominal value of the Preferred Ordinary Shares or the holders for the time being of the majority in nominal value of the Preference Shares stipulate otherwise in writing (and in which event the holders for the time being of the majority in nominal value of the Preferred Ordinary Shares or the holders for the time being of the

majority in nominal value of the Preference Shares may or may not at any time stipulate in writing that the Dividend (as defined below) is to be paid), the Company shall pay a dividend of £2,505,151.99 in aggregate (the "Dividend") on all of the 'A' Ordinary Shares then in issue, such amount to be paid to holders of 'A' Ordinary Shares pro rata to their holdings of 'A' Ordinary Shares; and

- (ii) other than the right to the Dividend as referred to in paragraph (i) above, the rights attaching to the 'A' Ordinary Shares shall be equal in all respects to those of the Deferred Shares; and
- (iii) immediately following the payment of a Dividend (whether on 1st September 1995 or at any other time pursuant to the provisions of paragraph (i) above) each and every one of the 'A' Ordinary Shares shall automatically be converted into and be redesignated a Deferred Share."

No. 2073491

THE COMPANIES ACTS 1985
COMPANY LIMITED BY SHARES
ATCO-QUALCAST LIMITED
 (formerly Beachshaw Limited)

At an Extraordinary General Meeting of the Company held at Broadwalk House
5 Appold Street London on 1st September 1995 at 5.35 a.m./p.m. the
 following Resolutions were passed as to which Resolution 1 was passed as an Ordinary
 Resolution and Resolution 2 was passed as a Special Resolution.

ORDINARY RESOLUTION

1. THAT the Directors be and they are hereby generally and unconditionally authorised, in accordance with Section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot relevant securities (as defined in sub-section (2) of the said Section 80) of the Company up to an aggregate nominal amount of £8,775,000 provided that this authority shall expire five years from the date of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. This authority shall supersede all previous authorities conferred upon the Directors pursuant to the said Section 80, which authorities are hereby revoked.

SPECIAL RESOLUTION

2. THAT subject to the passing of Resolution 2, the Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot securities (within the meaning of sub-section (2) of Section 94 of the said Act) for cash pursuant to the authority conferred by Resolution 2 above as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to such allotment, provided that this authority shall expire five years from the date of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the Directors may allot securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.



 CHAIRMAN

PRESENTED BY:-



15 - 09 - 95

No. 3073491

THE COMPANIES ACTS 1985
COMPANY LIMITED BY SHARES



ATCO QUALCAST LIMITED

(formerly Beachshow Limited)

At an Extraordinary General Meeting of the Company held at Broadwalk House
5 Appold Street London EC1 on 1st September 1995 at 5.25 a.m./p.m.
the following Resolutions were passed as to which Resolutions 1, 2 and 3 were passed as
Special Resolutions.

SPECIAL RESOLUTIONS

1. THAT

- (a) notwithstanding anything in the Articles of Association of the Company, immediately prior to the sale of ordinary shares in the Company to Robert Bosch GmbH, 624,336 of the issued convertible cumulative participating preferred ordinary shares of 10p each in the capital of the Company (the "Preferred Ordinary Shares") shall convert into and be redesignated as the same number of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares") such that the following parties shall hold the indicated number of Ordinary Shares:

<u>Parties</u>	<u>Ordinary Shares</u>
Candover Investments plc	46,481
Candover 1989 UK Limited Partnership	74,373
Candover 1989 (No 2) Limited Partnership	103,730
Candover 1989 US Limited Partnership	144,831
Candover 1989 US (No 2) Limited Partnership	7,329
Candover 1989 Japanese Limited Partnership	68,502
Candover Lead Investors Limited Partnership	176,143
Candover (Trustees) Limited	2,447

and;

- (b) this special resolution shall override and supersede anything to the contrary in the Articles of Association of the Company and in particular, but without prejudice to the generality of the foregoing, Article 9; and
- (c) all Preferred Ordinary Shares which do not convert into Ordinary Shares aforesaid shall convert into and be redesignated as Deferred Shares (as defined

in the Articles of Association) at the sametime as the said conversion into Ordinary Shares.

2. THAT the Articles of Association of the Company be amended by the addition of the following new Article 23:-

" 'A' ORDINARY SHARES

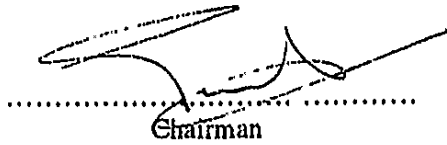
23. The rights attaching to the 'A' Ordinary Shares of 10p each in the capital of the Company are as follows:-

- (i) on 1st September 1995, unless the holders for the time being of the majority in nominal value of the Preferred Ordinary Shares or the holders for the time being of the majority in nominal value of the Preference Shares stipulate otherwise in writing (and in which event the holders for the time being of the majority in nominal value of the Preferred Ordinary Shares or the holders for the time being of the majority in nominal value of the Preference Shares may or may not at any time stipulate in writing that the Dividend (as defined below) is to be paid), the Company shall pay a dividend of £2,505,151.99 in aggregate (the "Dividend") on all of the 'A' Ordinary Shares then in issue, such amount to be paid to holders of 'A' Ordinary Shares pro rata to their holdings of 'A' Ordinary Shares; and
- (ii) other than the right to the Dividend as referred to in paragraph (i) above, the rights attaching to the 'A' Ordinary Shares shall be equal in all respects to those of the Deferred Shares; and
- (iii) immediately following the payment of a Dividend (whether on 1st September 1995 or at any other time pursuant to the provisions of paragraph (i) above) each and every one of the 'A' Ordinary Shares shall automatically be converted into and be redesignated a Deferred Share."

3. THAT, conditional upon the passing of resolution 2 above, such number of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares") as held by such person as is indicated below as being held by the person named opposite such number shall be converted into and be redesignated as an equal number of 'A' Ordinary Shares with immediate effect:

<u>Person</u>	<u>'A' Ordinary Shares</u>
S A Roberts	16,573
G McMeechan	22,875
B F Siythe	29,208
C J Barker	31,510
R A Shawe-Taylor	13,059.

15 - 09 - 95



Chairman

PRESENTED BY:-
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Broadwalk House
5 Appold Street
London EC2A 2HA

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Ref: EMG