

Registered Number: 3998372

THE COMPANIES ACT 1985

and

THE COMPANIES ACT 1989

WRITTEN RESOLUTION

OF

STORM TECHNOLOGIES LIMITED

We, the undersigned, being the sole Member for the time being of the above-named Company entitled to receive notice of and to attend and vote at general meetings of the Company **HEREBY PASS** the following resolution as a Written Resolution and agree that the said resolution shall, pursuant to Section 381A Companies Act 1985, for all purposes be valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

It is resolved:

THAT new Articles of Association be adopted in the form annexed in substitution for the existing Articles of Association of the Company.

Dated: 10.10 . 2001

Signed 

for and on behalf of

HIPKIN HOLDINGS LIMITED



THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by Written Resolution passed on 10th October 2001

- of -

STORM TECHNOLOGIES LIMITED

(COMPANY NUMBER 3998372)

TABLE A

1. In these Articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended by any other subordinate legislation coming into operation prior to the date of adoption of these Articles, and "the Act" means the Companies Act 1985 and every statute from time to time in force concerning companies insofar as the same applies to the Company. References to "the Shareholders' Agreement" are to a Shareholders' Agreement made between Hipkin Holdings Limited and others and the Company and dated the same date as the Written Resolution adopting these Articles.
2. The regulations contained in Table A shall, except where they are excluded or modified by these Articles, apply to the Company and, together with these Articles, shall constitute the Articles of the Company.
3. No regulations scheduled to any statute concerning companies shall apply to the Company.

INTERPRETATION

4. References in Table A and in these Articles to writing shall include typewriting, printing, lithography, photography, telex and fax messages and other means of representing or reproducing words in a legible and non-transitory form.
5. Words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these Articles.

PRIVATE COMPANY

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

SHARES

7. The share capital of the Company is £100 divided into 100 Ordinary Shares of £1 each.
- 8.1 The lien conferred by regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one or two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.
- 8.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".
9. 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 by special resolution of the Company in general meeting either whilst the Company is a going concern or during or in contemplation of a winding up, but only with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply.

UNISSUED SHARE CAPITAL

- 10.1 Unless otherwise determined by the Company by Special Resolution no shares may be allotted or issued unless:-
- (a) such shares have been offered on equal terms to all the holders of shares of such class pro rata, as nearly as practicable, to the nominal value of their existing holdings of shares of such class; and
 - (b) simultaneously with such offer, the existing holders of any other class of shares in the capital of the Company are each offered on equal terms pro rata, as nearly as practicable, to the nominal value of the existing holdings of shares of

the relevant class, such number of shares of the relevant class as will bear the same proportion to the aggregate number of shares being offered under (a) above as the aggregate number of shares of the relevant class then held by them bears to the aggregate number of shares then in issue of the class being offered pursuant to (a) above.

Accordingly and subject to the provisions of paragraph 10.2 below, the Directors shall not allot any Shares to any person unless a period of twenty-one (21) days during which any such offer could have been accepted has expired or the Directors have received notices of acceptance or refusal of every offer so made.

10.2 If, after the expiration of the period of twenty-one (21) days mentioned in paragraph 10.1 above, the holders of the Ordinary Shares, shall have expressed their willingness to subscribe for part only of the shares referred to in paragraph 10.1(a) above, or no holder of Ordinary Shares shall have expressed his willingness to subscribe any of those shares, then the Directors shall give notice to all the existing holders of any other class of Shares in the capital of the Company of the number of shares not taken up as aforesaid and the shares shall be offered on equal terms to all the holders of the shares of such other class pro rata, as nearly as practicable, to the nominal value of their existing holdings of shares of such class until all the shares the subject of the notice have been distributed. If, after the expiration of twenty-one (21) days from the giving of such further notice, any of the shares the subject of the relevant notice have not been allocated, then the Directors shall give a further notice to all the members of the Company and the procedures set out above shall be repeated *mutatis mutandis*.

11. Subject to Article 10 and any direction to the contrary which may be given by ordinary or other resolution of the Company, and subject to any statutory provision, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. Section 89(1) of the Act shall not apply. The Directors are by this Article authorised, subject as aforesaid, to exercise all powers of the Company to allot all relevant securities (within the meaning of Section 80 of the Act); such authority shall be unconditional and for the exercise of such power generally; the maximum amount of relevant securities that may be the subject of allotment under such authority shall be the amount by which the nominal amount of the authorised share capital of the Company exceeded the nominal amount of the issued share capital of the Company at the date of adoption of these Articles; unless renewed, such authority will expire on the date five years from the date on which the resolution adopting these Articles is passed; 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 the relevant securities in pursuance of such offer or agreement accordingly; the amount of a relevant security shall in the case of a share in the Company mean its nominal amount, and in the case of a right to subscribe for, or to convert any security into, shares in the Company mean the nominal amount of shares in the Company which would be required to satisfy such right (assuming full exercise).

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

TRANSFER OF SHARES

- 13.1 The Directors shall, subject to paragraph 13.2 of this Article, register the transfer or, as the case may be, transmission of any Shares:-

- (a) by any Member being a nominee of another person to that other person or to another nominee for them provided that no beneficial interest in such Shares passes by reason of such transfer; and
- (b) by any Member being a corporation:
 - (i) to any wholly-owned subsidiary or subsidiaries of such Member;
 - (ii) to any company which is the holding company of such Member or the wholly-owned subsidiary or subsidiaries of any such holding company

PROVIDED THAT such transferee shall undertake that upon ceasing to be such a subsidiary or holding company such Shares shall be re-transferred to such Member from whom such Shares were originally transferred within thirty (30) days of such transferee so ceasing to be such a subsidiary or holding company failing which such subsidiary or holding company shall be deemed to have served a Transfer Notice pursuant to paragraph 13.4 below.

- (c) any Member being an individual may at any time transfer all or any of the Shares held by him:-
 - (i) to a privileged relation;
 - (ii) to a limited company controlled by that Member; or

- (iii) to trustees to be held upon family trusts;
- (d) where Shares are held by trustees upon family trusts:-
 - (i) such Shares may on any change of trustees be transferred to the new trustees;
 - (ii) such Shares may at any time be transferred to any person to whom under paragraph (c) of this Article the same could have been transferred by the settlor if he had remained the holder thereof; and
 - (iii) if and whenever any such Shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised by subparagraph (ii) of this paragraph) the trustees shall forthwith give a Transfer Notice pursuant to paragraph 13.4 below in respect of the Shares in question and such Shares may not otherwise be transferred; and failure so to give a transfer notice within thirty (30) days of the Shares ceasing to be held as aforesaid shall result in the Shares in question being deemed to be the subject of a Transfer Notice pursuant to paragraph 13.4 below and Market Value shall be determined by the Auditors of the Company in accordance with paragraph 13.7 below;
- (e) any Member may at any time declare that he holds all or any of the Shares held by him on family trusts; or
- (f) where Shares are held by a limited company controlled by a Member that Member shall undertake that upon such limited liability company ceasing to be controlled by that Member such Shares shall be re-transferred to such Member from whom such Shares were originally transferred within thirty (30) days of such transferee so ceasing to be such a company controlled by such Member failing which such limited company shall be deemed to have served a Transfer Notice pursuant to paragraph 13.4 below;
- (g) for the purpose of paragraphs (c)-(f) of this Article:-
 - (i) "privileged relation" in relation to a Member means the spouse of the Member and the Member's children and grandchildren (including step and adopted children and grandchildren);
 - (ii) "controlled" means the power (directly or indirectly) whether by a holding of securities, voting control, contract or otherwise, to appoint or remove a majority of the directors of a company and includes

(without limiting the foregoing) the power to appoint or remove a majority of the directors of a company if exercisable through any number of intermediate bodies corporate prior to its possible exercise over the company in question;

- (iii) "family trusts" in relation to such Member means trusts under which no immediate beneficial interest in the Shares in question is for the time being vested in any person other than the Member or his privileged relations and no power of control over the voting powers and conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees or such Member or his privileged relations; and
 - (iv) "settlor" includes a testator or an intestate in relation to family trusts arising respectively under a testamentary disposition or an intestacy;
- (h) to any person with the written consent of all the holders of Ordinary Shares of the Company;
- (i) made pursuant to the provisions of paragraphs 13.4 to 13.12 below.

The Directors shall not register the transfer of any Share unless made pursuant to this paragraph 13.1.

13.2 Notwithstanding the provisions of this Article, the Directors may decline to register any transfer or transmission which would otherwise be permitted hereunder if it is a transfer:-

- (a) of a Share on which the Company has a lien; or
- (b) of a Share (not being a fully paid Share) to a person who is not a Member nor a transferee permitted under paragraphs 13.1(a) or (b) of this Article and of whom they shall not approve.

13.3 Save where a transfer is made pursuant to paragraph 13.1(a) to (i) above no Member (hereinafter called "a transferring Member") wishing to transfer any Shares whether by way of sale or otherwise, shall be entitled without first causing the same to be, and the Directors shall not enter the name of any transferee in the Register of Members unless the same has been offered to the Members of the Company holding Ordinary Shares in accordance with the provisions of this Article.

- 13.4 In order to ascertain whether any Members of the Company holding Ordinary Shares are willing to purchase the Shares, the transferring Member shall give notice in writing in respect of each class of Shares held by such Member (hereinafter referred to as a "Transfer Notice") to the Company that he wishes to sell and specifying that he is prepared to sell at Market Value (as determined in accordance with paragraph 13.7 below). Every Transfer Notice shall specify the denoting numbers (if any) and class of the Shares ("the Sale Shares") which the transferring Member desires to sell, and shall constitute the Company the agent of the transferring Member for the sale of such Shares to the Members of the Company holding Ordinary Shares and/or third parties at the Market Value. A Transfer Notice may contain a provision that unless all Shares comprised therein are sold by the Company pursuant to this Article none shall be so sold and any such provision shall be binding on the Company. A Transfer Notice shall not be revocable except with the consent of the Board. If any Member fails to give a Transfer Notice as aforesaid the Company shall be deemed to have received a Transfer Notice seven days after such Member's wish to sell comes to the attention of the Directors of the Company irrespective of whether the transaction giving rise to the requirement to serve a Transfer Notice has been completed and the Market Value shall be determined by the Auditors to the Company in accordance with paragraph 13.7 below.
- 13.5 Upon the Market Value being determined in accordance with paragraph 13.7 below the proposed transferor, except a transferor under paragraphs 13.9 to 13.10 below, may within fourteen (14) days of receipt of notice of the determination of the Market Value, withdraw his Transfer Notice. If he shall not have withdrawn it then the Company shall offer at Market Value such Sale Shares to all the Members holding Ordinary Shares (other than the transferring Member) at the expiration of such fourteen (14) day period ("the Offer Date") in proportion as nearly as may be to the nominal amount of their existing holdings of Ordinary Shares in the Company ("the proportionate entitlement"). It shall be open to each such Member to specify that he is willing to purchase up to a specified number of any Shares in excess of his proportionate entitlement ("Excess Shares"). Such offer shall to the extent that the same is not accepted in whole or in part within thirty (30) days of the Offer Date be deemed to be declined. After such thirty (30) days have expired the Directors shall allocate the Sale Shares in the following manner:-
- (a) to each Member holding Ordinary Shares there shall be allocated his proportionate entitlement or such lesser number of Sale Shares for which he may have applied;

- (b) if the number of any Sale Shares which remain unallocated is less than the number of Shares for which excess applications have been made, the unallocated Shares shall be allocated (as nearly as may be) in the proportions which the applications for excess Shares bear to one another;
 - (c) if the number of any Sale Shares which remain unallocated equals or is greater than the number of Shares for which excess applications have been made, each Member holding Ordinary Shares who has applied for excess Shares shall be allocated the number of excess Shares for which he applied.
- 13.6 If the Company shall not within the space of thirty (30) days of the Offer Date find purchasing Members for all of the Sale Shares the transferring Member shall be at liberty at any time within three months after the expiry of the said 30 days to transfer (i) such of the Sale Shares as were not accepted by purchasing Members or, (ii) where the Transfer Notice specified the sale of all but not some of the Sale Shares, all but not some of the Sale Shares, or (iii) such Sale Shares in respect of which the sale was not completed as aforesaid, to any person he may wish PROVIDED THAT such sale is completed at Market Value or any higher price and that the terms of payment of the purchase price are no more favourable to the purchaser than those rejected by the existing Members.
- 13.7 The Market Value of the Sale Shares shall be the amount (if any) per Share specified by the Transferring Member as the price at which an independent unconnected person or company is prepared to purchase on an arms-length basis the Sale Shares or if no amount is so specified shall be determined by agreement between the transferring Member and the Company but in default of agreement thereon shall be calculated on the basis of a sale between a willing seller and a willing purchaser of the Sale Shares so offered (as at the date of the Transfer Notice) disregarding the lack of transferability of the Sale Shares or that the Sale Shares constitute a minority holding (if that be the case) but after consultation with all the individual Directors of the Company and having regard to the future prospects of the Company. The valuation shall be of all the Ordinary Share capital of the Company and then pro-rated to the percentage of such Ordinary Share Capital which the Sale Shares comprise. The Market Value shall be certified by the auditors of the Company or (if the parties do not agree on the appointment of the auditors for this purpose) an independent Chartered Accountant of not less than five (5) years standing to be agreed between the parties and in default of agreement to be appointed by the President for the time being of The Institute of Chartered Accountants in England and Wales. In so certifying the said auditors or Chartered Accountant shall act as an expert and not as an arbitrator and his decision

shall be final and binding upon the parties. The cost in so certifying shall be borne by the Company.

- 13.8 In the event of the transferring Member failing to carry out the sale of any of the Sale Shares the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Member(s) and/or third parties and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Members and/or third parties as holders thereof and issue to them certificates for the same whereupon the purchasing Member(s) and/or third parties shall become indefeasibly entitled thereto. The transferring Member shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the transferring Member shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the transferring Member but without interest. If such certificate shall comprise any Shares which such transferring Member has not become bound to transfer as aforesaid the Company shall issue to the Member a balance certificate for such Shares.
- 13.9 Whenever a Member becomes a Leaver the Company may, at any time on or after the Leaving Date, serve one or more (as the case may be) notices on the Leaver and (if there are any) the Leaver's permitted transferees notifying such persons that the provisions of Article 13.10 shall apply in respect of all or some of the Leaver's Shares.
- 13.10 If the Company serves any notice pursuant to Article 13.9, the Leaver and the Leaver's permitted transferees shall be deemed to have served a Transfer Notice in respect of all the Leaver's Shares then held by the Leaver and the Leaver's permitted transferees and the provisions of Article 13.5 shall apply to any such Transfer Notice, provided that for these purposes, the sale price shall be the par value of the Sale Shares and that the Company shall only offer the Leaver's Shares to Horsham International to the exclusion of all other Members holding Ordinary Shares.
- 13.11 For the purposes of Articles 13.9 and 13.10 and Article 30 the following terms shall have the following meanings:-

"Group" means the Company together with any parent undertaking of the Company and any subsidiary undertaking of such parent undertaking (the terms "Parent Undertaking" and "Subsidiary Undertaking" having the meaning given to them in section 258 and 259 of the Companies Act 1985);

"Hipkin" Hipkin Holdings Limited (Company Number 03301381) whose registered office is at Willow, Wetherden Road,

Haughley Green, Suffolk IP14 3RF;

“Horsham International” means Horsham International LLC, a Delaware Corporation, whose registered office address is at 1220 N. Market Street Suite 606, Wilmington, Delaware 19801;

“Leaver” any employee and/or director of the Company or any other company within the Group (except for any appointee of Horsham International) who has ceased (for whatever reason) to be an employee and/or director of the Company and any such other Group company (whichever shall last occur). For the avoidance of doubt a person who is both such a director and such an employee shall not become a Leaver until he is neither such a director nor such an employee;

“Leaving Date” in relation to any person who becomes a Leaver, the later of the date on which such person becomes a Leaver or the date on which the Company becomes aware that such person has become a Leaver;

“Leaver’s Shares” all of the Shares in the Company held by the Leaver and (if there are any) the Leaver’s permitted transferees on the Leaving Date.

13.12 If there shall be any dispute as to whether any person is a Leaver, the matter shall be referred to Counsel (of at least five (5) years call and who is experienced in determining such disputes and who is agreed upon by such person and the Board or in default of agreement within fourteen (14) days), such Counsel as shall be nominated by the then President of the Bar Council upon the application of either the Leaver or the Board). Counsel shall be instructed to give his opinion in writing as to whether (having had all relevant facts explained to him in writing) such person has become a Leaver. The decision of Counsel shall be final and binding. The costs of Counsel shall be borne as he shall decide.

13.13 The application of Regulations 29 to 31 of Table A to the Company shall be modified as follows:-

- (a) save where the proposed transfer or transmission is within paragraph 13.1 above ("a permitted transfer") any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall give a Transfer

Notice before he elects in respect of any Share to be registered himself or to execute a transfer;

- (b) if a person so becoming entitled shall not have executed a permitted transfer or given a Transfer Notice in respect of any Share within six (6) months of the death or bankruptcy, the Directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty (30) days to execute permitted transfers or give a Transfer Notice in respect of all the Shares to which he has so become entitled and for which he has not previously done so and if he does not do so he shall at the end of such thirty (30) days be deemed to have given a Transfer Notice pursuant to paragraph 13.4 above relating to those Shares in respect of which he has still not executed permitted transfers or given a transfer notice and in such event the Market Value shall be determined by the Auditors of the Company pursuant to paragraph 13.7 above;
- (c) where a transfer notice is given or deemed to be given under this paragraph 13.13 and no price per Share is specified therein the Transfer Notice shall be deemed to specify the sum which shall, on the application of the Directors, be certified in writing by the Auditors in accordance with paragraph 13.7 above as the Market Value thereof;

13.14 References in this Article 13 to Shares include references to any beneficial or other interest in them.

PURCHASE OF OWN SHARES

- 14. Subject to the provisions of the Act, the Company may enter into any contract for the purchase of all or any of its shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares and may make payments in respect of the redemption or purchase of such shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares. Every contract entered into pursuant to this Article shall be authorised by such resolution of the Company as may for the time being be required by law but subject thereto the Directors shall have full power to determine or approve the terms of any such contract. Neither the Company nor the Directors shall be required to select the shares in question rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Subject to the provisions of the Act, the Company may agree to the variation of any contract entered into pursuant to this Article and to the release of any of its rights or obligations under any such contract.

15. Notwithstanding anything to the contrary contained in the Articles, the rights attaching to any class of shares shall not be deemed to be varied by anything done by the Company pursuant to the preceding Article. Regulation 35 of Table A shall not apply.

GENERAL MEETINGS

16. The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than four weeks (4) after receipt of the requisition. Regulation 37 of Table A shall not apply.

PROCEEDINGS AT GENERAL MEETINGS

17. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the appointment of, and the fixing of the remuneration of, the Auditors.
18. No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when such business is voted on. The quorum at any general meeting or adjourned general meeting shall subject as mentioned below be two (2) persons, present in person or by proxy or by an authorised representative of a holder of Ordinary Shares. If within five (5) minutes (or such longer time as the other members present may all agree to wait) from the time appointed for any general meeting a quorum is not present (after having regard to any such waivers as aforesaid), the members then present may elect that the meeting shall be adjourned for a period of not less than fourteen (14) days whereupon all members shall forthwith be given not less than fourteen (14) days' notice of such adjournment and of the time and place for the adjourned meeting to reconvene; and if any person, who would otherwise be required to constitute a quorum under the foregoing provisions is duly notified of such adjournment but within five (5) minutes (or such longer time as the other members may all agree to wait) from the time appointed for such adjourned meeting to reconvene, is still not present or has not waived his rights hereunder, then the quorum at the meeting shall be any member present in person or by a proxy or by an authorised representative. If within ten (10) minutes (or such longer time as aforesaid) from the time appointed for such meeting a quorum is still not present, the meeting shall be dissolved.
19. In these Articles the expression "authorised representative" means a representative appointed in the manner provided by Section 375 of the Companies Act 1985 by a body

corporate which is a member of the Company or a person authorised in writing to act on behalf of a body corporate which is a member of the Company by a Director or Secretary of that body corporate.

20. Subject to any statutory provision, a resolution in writing expressed to be an ordinary, extraordinary or special resolution signed by or on behalf of all the Members of the Company who would be entitled to vote on such a resolution if it were to be proposed at a general meeting of the Company shall be as valid and effectual as if it had been passed at such a general meeting duly convened and held. Any such resolution may consist of several documents in the like form each signed by or on behalf of one or more of the Members. Regulation 53 of Table A shall not apply.
21. A Member for whom a receiver, curator bonis or other person in the nature of a receiver or curator bonis has been appointed by a Court in England and Wales or Scotland having jurisdiction in that behalf on the grounds that the Member is incapable by reason of mental disorder of managing and administering his property and affairs may vote, whether on a show of hands or on a poll, by the person so appointed and that person may appoint a proxy to vote on a poll on behalf of the Member.

VOTES OF MEMBERS

22. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for each share of which he is the holder. The Chairman, if any, shall not have a second or casting vote.
23. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the Directors may approve and shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Regulations 60 and 61 of Table A shall not apply.

DIRECTORS

24. A Director need not hold any shares of the Company to qualify him as a Director but he shall be entitled to receive notice of and attend at all General Meetings of the Company

and at all separate General Meetings of the holders of any class of shares in the Capital of the Company and Regulation 38 of Table A shall be modified accordingly.

25. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.
26. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to the Act to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.
27. The Directors on behalf of the Company may pay a gratuity pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or on his death to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
28. No Director shall be required to retire by rotation and the provisions of Regulations 73 to 80 of Table A shall be modified accordingly.
29. The office of Director shall be vacated if the Director:
 - 29.1 becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - 29.2 becomes disqualified from being a Director by reason of any order made under the Act or under any statute relating to insolvency or bankruptcy or otherwise so prohibited or disqualified under any statutory provision for the time being in force; or
 - 29.3 in the opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director; or
 - 29.4 subject as hereinafter provided resigns his office by notice in writing to the Company.

PROCEEDINGS OF DIRECTORS

- 30.1 Subject as hereinafter provided the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. No business

shall be transacted at any meeting of the Directors unless a quorum is present at the commencement of the meeting and also when such business is voted on. The quorum shall be two (2) Directors at least one of which shall be an appointee of Horsham International. Prior to the release of Hipkin and F W Hipkin Limited from the Guarantees (as defined in the Shareholders' Agreement) no meeting of the Board of Directors shall take place unless one (1) of Hipkin's nominated Directors is also present.

- 30.2 Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
31. Questions arising at any meeting of the Directors or at any committee of the Directors shall (save so far as is expressed to the contrary in the Shareholders' Agreement) be decided by a majority of votes. The Chairman, if any, shall not have a second or casting vote.
32. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act. Subject where applicable to such disclosure, a Director shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted; and he shall be taken into account in ascertaining whether a quorum is present. Regulations 94 to 96 (inclusive) of Table A shall not apply.
33. A resolution in writing signed by or on behalf of all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it has been passed at a meeting of the Directors duly convened and held, and may consist of several documents in a like form each signed by one or more of the Directors.
34. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of the Directors shall be sufficiently given to a Director who is absent for the time being from the United Kingdom if sent to or left at an address within the United Kingdom notified by him for the purpose to the secretary of the Company. It shall not be necessary to give notice of a meeting of the Directors to any Director who, being absent from the United Kingdom, has not notified such an address as aforesaid.

- 35.1 Any Director may by writing under his hand appoint (i) any other Director, or (ii) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Directors, to attend and vote at Meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him: **PROVIDED ALWAYS** that no such appointment of a person other than a Director shall be operative unless and until the approval of the Board of Directors by a majority of the whole Board shall have been given and entered in the Directors' Minute Book. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine. A Director acting as alternate shall have an additional vote at meetings of Directors each Director for whom he acts as alternate but he shall count as only one (1) for the purpose of determining whether a quorum be present.
- 35.2 Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.
36. No person shall be or become incapable of being appointed a Director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no Director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age.

CHAIRMAN

37. The Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of Chairman or Deputy chairman or Managing or Joint Managing or Deputy or Assistant Managing Director as the Directors may decide such appointment being (subject to the provisions of the Act) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service

contract between him and the Company) if he ceases to hold the office of Director from any cause ipso facto immediately cease to hold such executive office.

CAPITALISATION OF PROFITS

38. The Directors may with the authority of a Special Resolution:-
- 38.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve), or any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;
- 38.2 appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of the ordinary share capital (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other: provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid;
- 38.3 resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;
- 38.4 make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article in fractions;
- 38.5 authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of the profits or sum so resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on shares held by them respectively any agreement made under such authority being thereupon effective and binding on all such Members; and

- 38.6 generally do all acts and things required to give effect to such resolution as aforesaid.

DIVIDENDS

39. Subject to the provisions of these Articles and the Act and as permitted by the Shareholders' Agreement, the Directors may pay such interim dividends as appear to them to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by them whenever the financial position of the Company, in their opinion, justifies its payment. Regulation 103 of Table A shall not apply.

NOTICES

40. Except in cases where actual receipt is required by any provision of these Articles, any notice or other document may be served on or delivered to any Member by the Company either personally or by sending it by post in a prepaid envelope or wrapper addressed to the member at his registered address, or by leaving it at that address addressed to the Member, or by any other means authorised in writing by the Member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall be modified accordingly.
41. Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so left. Regulation 115 of Table A shall not apply.
42. Any notice or other document may be served on or delivered to any person or persons entitled to a share in consequence of the death or bankruptcy of a member by the Company in any manner which would be permitted by the Articles if the person or persons concerned were a member or were members and either addressed to him or them by name or by the title of representatives of the deceased or trustee of the bankrupt or by any like description at the address (if any) within the United Kingdom supplied by him or them for that purpose. Until such address has been supplied, a notice or other document may be served on or delivered to the person or persons so entitled in any manner in which it might have been served or given if the death or bankruptcy had not occurred. Regulation 116 of Table A shall not apply.

PROVISION FOR EMPLOYEES

43. The Company shall exercise the power conferred upon it by Section 719 of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Regulation 4 of Table A.

INDEMNITY

44. Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as such Director or other officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability. Regulation 118 of Table A shall not apply.