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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

OF

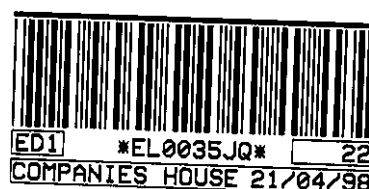
TEICH FLEXIBLE PACKAGING LIMITED

Adopted by Special Resolution dated 23/3/1998

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THE COMPANIES ACTS 1985 AND 1989

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TEICH FLEXIBLE PACKAGING LIMITED

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PRELIMINARY

1. The regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 (Statutory Instrument No 805 of 1985) as amended by the Companies (Tables A-F) (Amendment) Regulations 1985 (S.1.No.1052 of 1985) (such Table being hereinafter referred to as "Table A") shall except as hereinafter provided and except insofar as the same are inconsistent with these Articles apply to the Company
2. The Company is a private company and accordingly:-
 - 2.1 any offer to the public (whether for cash or otherwise) of any shares in or debentures of the Company is prohibited; and
 - 2.2 any allotment or agreement for the allotment (whether for cash or otherwise) of any shares in or debentures of the Company with a view to all or any of those shares being offered for sale to the public is prohibited
3. The following regulations of Table A shall not apply to the Company namely: 23, 24, 37, 50, 53, 64, 73, 74, 75, 76, 77, 79, 80, 81, 87, 94, 95, 96, 97, 112 and 116

SHARES

4. The Directors of the Company are unconditionally authorised during the period of five years from the date of the adoption of these Articles to allot grant options over or otherwise dispose of such (if any) of the shares of the Company as remain to be issued to such persons (whether or not members of the Company) for such consideration on such terms in such manner and at such times as they consider appropriate up to the amount of the authorised share capital of the Company existing at the date of the adoption of these Articles. Any shares which the Directors of the Company are not entitled to deal with under the foregoing provisions of this Article may with the authority of an Ordinary Resolution passed by the Company in general meeting and subject to compliance with all legal requirements be dealt with by the said Directors who may allot grant options over or otherwise dispose of the said shares to such persons (whether or not members of the Company) for such consideration on such terms in such manner and at such times as they consider appropriate during a period not exceeding five years from the date of the passing of such Ordinary Resolution. Provided always that save as permitted by law nothing in this Article shall authorise the allotment or issue of shares in the Company at a discount. To the extent permitted by section 91(1) of the Act sections 89(1) and 90(1) to (6) inclusive of the Act are hereby excluded from applying to the Company

LIEN

5. The lien conferred by regulation 8 of Table A shall attach to all shares whether fully paid or not and the Company shall also have a first and paramount lien on all shares whether fully paid or not standing registered in the name of any person indebted or under liability to the Company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all moneys presently payable by him or his estate to the Company. Regulation 8 of Table A shall be modified accordingly
6. The authorised share capital of the Company at the date of the adoption of these Articles is £10,000,000 divided into 10,000,000 Ordinary Shares of £1.00 each

TRANSFER OF SHARES

7. The Directors shall register any transfer by or with the written approval of the Parent Company (as defined in Article 36) of any share or shares in the capital of the Company.
8. Subject to the provisions of Article 7, the Directors may, in their 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.

9. The instrument of transfer of any share may be in any usual form or in any other form which the Directors may approve and need not be signed by or on behalf of the transferee but shall be executed by or on behalf of the transferor who shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof

GENERAL MEETINGS

10. 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 eight weeks after receipt of the requisition

PROCEEDINGS AT GENERAL MEETINGS

11. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by any member present in person or by proxy and entitled to a vote. Regulation 46 of Table A shall be modified accordingly
12. One member or a representative of a corporate member shall constitute a quorum at a general meeting of the Company and Regulation 40 of Table A shall be construed accordingly
13. Regulation 41 of Table A shall be read and construed as if the words "and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved" were added at the end.
14. A resolution in writing signed by or on behalf of the Parent Company (as defined in Article 36) and deposited at the Company's registered office shall be as valid and effective as if it had been passed at a general meeting of the Company duly convened and held.

DIRECTORS

15. The number of Directors need not exceed one. If and so long as there shall be a sole Director he shall be entitled to exercise all the powers authorities and discretions expressed by these Articles to be vested in the Directors generally. A sole Director shall form a quorum at meetings of Directors and regulation 89 of Table A shall be modified accordingly
16. The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors

17. The Company may exercise the powers conferred upon the Company by section 362 of the Act with regard to the keeping of an overseas branch register and the Directors may (subject to the provisions of that section) make and vary such regulations as they may think fit respecting the keeping of any such register
18. A person may be appointed a Director notwithstanding that he shall have attained the age of 70 years and no Directors shall be liable to vacate office by reason of his attaining that or any other age
19. Subject to the provisions of section 317 of the Act a Director may contract with and participate in the profits of any contract transaction or arrangement with the Company as if he were not a Director. A Director shall also be capable of voting in respect of such contract transaction or arrangement where he has previously disclosed his interest to the Company or in respect of his appointment to any office or place of profit under the Company or of the arrangement of the terms thereof and may be counted in the quorum at any meeting at which any such matter is considered
20. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company
21. The Directors may exercise the powers of the Company to grant pensions gratuities or allowances to any employees or ex-employees and to officers and ex-officers (including Directors and ex-Directors) of the Company or of its subsidiaries or of its predecessors in business or of the predecessors in business of any of its subsidiaries or to the relatives connections or dependants of any such persons and to establish maintain or support associations institutions clubs funds and trusts which are considered or calculated to benefit any such persons or otherwise advance the interests of the Company or of its members
22. Notice of meetings of the Directors shall be given to all Directors whether or not for the time being absent from the United Kingdom and regulation 88 of Table A shall be modified accordingly
23. All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution and no such resolution shall be effective unless carried by a majority of votes. The Chairman shall not have a second or casting vote. A meeting of the Directors or of any committee of the Directors may properly be held by telephone or other verbal means of communication as well as in person. Regulation 88 of Table A shall be modified accordingly

24. The Directors may exercise all the powers of the Company to borrow money whether in excess of the nominal amount of the share capital of the Company for the time being issued or not and to mortgage or charge its undertaking property and uncalled capital or any part thereof and subject to section 80 of the Act to issue debentures debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party
25. The Directors may appoint any 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 fixed by or in accordance with these Articles as the maximum number of Directors
26. The office of a Director shall be vacated if: -
- 26.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
- 26.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 26.3 he is or may be suffering from mental disorder and either: -
- 26.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or in Scotland an application for admission under the Mental Health (Scotland) Act 1984 or
- 26.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver curator bonis or other person to exercise powers with respect to his property or affairs; or
- 26.4 he resigns his office by notice in writing to the Company; or
- 26.5 he is removed from office pursuant to Article 36 below
27. An alternate Director shall be entitled to contract and be interested in and benefit from contracts transactions or arrangements and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only 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

NOTICES

- 28 A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address (whether or not in the United Kingdom) or to his address if any supplied by him to the Company for the giving of notice to him. Where a notice is sent by post to an address in the United Kingdom service of the notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice by first-class post and to have been effected at the expiration of 48 hours after the letter containing the same is posted and in any other case any notice sent by post to an address outside the United Kingdom shall be deemed to have been effected at the time at which the letter would be delivered in the ordinary course of post. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share
- 29 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to 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 supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred
- 30 Notice of every general meeting shall be given in any manner hereinbefore authorised to: -
- 30.1 every member;
- 30.2 every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting;
- 30.3 the auditors for the time being of the Company; and
- 30.4 the Directors of the Company and their alternates.
31. No other person shall be entitled to receive notices of general meetings. Regulation 38 of Table A shall be modified accordingly

DIVIDENDS

32. Dividends may be declared by the Company in General Meeting and may be declared in respect of any one class or sub-class of share without any obligation to declare or pay any dividend on any other class or sub-class of

share.

33. The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
34. The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

INDEMNITY

35. Subject to the provisions of and so far as may be permitted by the Act every Director Auditor Secretary or other officer of the Company shall be indemnified out of the funds of the Company against all costs charges losses expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto. Regulation 118 of Table A shall be extended accordingly

OVER-RIDING PROVISIONS

36. Whenever Bonar Constantia Limited (a company registered in England under No. 2400731) (to be renamed "Constantia (UK) Limited") (hereinafter called "the Parent Company") hereinafter called "the Parent Company") or any subsidiary of the Parent Company shall be the holder of not less than 90 per cent of the issued Ordinary Shares in the Company the following provisions shall apply and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these Articles of Association: -
- 36.1 the Parent Company may at any time and from time to time (and notwithstanding any restriction on the maximum number of Directors contained in these Articles) appoint any person to be a Director or remove from office any Director howsoever appointed but so that in the case of a Managing Director or other Executive Director his removal from office shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- 36.2 no Director shall be appointed or shall be removed without the prior consent of the Parent Company;

- 36.3 no unissued shares shall be allotted or issued or agreed to be allotted or issued or put under option or otherwise disposed of without the prior consent of the Parent Company;
- 36.4 any or all powers of the Directors shall be restricted in such respect and to such extent as the Parent Company may by notice to the Company from time to time prescribe;
- 36.5 notice of every general meeting shall be given to the Parent Company and no business shall be transacted at any general meeting unless a representative of the Parent Company expressly authorised by the Parent Company is present at the meeting. Such representative shall have the right to speak at any meeting;
- 36.6 no resolution of the Company shall be effective without the prior consent of the Parent Company;
- 36.7 no share or any interest in any share (whether or not a beneficial interest therein) may at any time be transferred to any person (whether or not another member) without the prior consent of the Parent Company;
- 36.8 the Company shall not do, permit or suffer any of the following acts or matters without the prior written approval of the Parent Company:
- 36.8.1 adopt any principles or policies of business other than in accordance with the Rules of the Turnauer Industrial Stiftung from time to time in force;
- 36.8.2 adopt or amend any budget for the Company in respect of any period (any such budget adopted or amended with the approval of the Parent Company being hereinafter referred to as a "Budget");
- 36.8.3 incur or enter into any capital expenditure (including leases of capital items) otherwise than in accordance with the Budget for the relevant period;
- 36.8.4 engage or enter into any contract of employment or consultancy agreement with any senior manager (or any employee or consultant paid or to be paid an exceptional remuneration being in aggregate in excess of £35,000 per annum) or terminate or make any material change to the terms of employment or engagement or to the emoluments of any such existing employee or consultant of the Company or any of its subsidiaries. For this purpose "remuneration" shall mean sums paid by way of fees, salary, bonus, commission, pension contributions, benefits in kind and all items of value received from or paid by the Company or any of its subsidiaries to any person or his spouse or to another on his behalf or for his benefit;
- 36.8.5 acquire the whole or any substantial part of the assets or undertaking of any other company or business or sell, transfer, lease, licence, or in any way

dispose of the whole or a substantial part of the Company's business, undertaking or assets by a single transaction or a series of transactions, except in each case as contemplated by the Budget in respect of the relevant period;

- 36.8.6 undertake or establish any new type of business or terminate or wind up any substantial part of the operation of the Company, except in each case as contemplated by the Budget in respect of the relevant period;
- 36.8.7 acquire or dispose of any freehold or any leasehold property or create or cause or permit to be created or to exist any mortgage, charge, lien or other encumbrance whatsoever over any such property, except in each case as contemplated by the Budget in respect of the relevant period;
- 36.8.8 enter into any commitment of a long term, onerous or unusual nature (including for the avoidance of doubt any financing arrangements and commitments for a term longer than one year) or vary the terms of any such long term, onerous or unusual commitment, where the estimated amount of or aggregate value of such commitment together with those already incurred or contracted for in the relevant financial year shall exceed 10% of the gross turnover of the Company in respect of the immediately preceding financial year, save as provided for in the Budget for the relevant period;
- 36.8.9 establish or vary the terms of any pension or life assurance scheme or any profit scheme or similar scheme for the benefit of the Company's employees or any section thereof or make any material variation in any such scheme otherwise than as contemplated by the Budget in respect of the relevant period;
- 36.8.10 make any loan other than in the ordinary course of business or enter into any guarantee or stand surety for the obligations of any third party or enter into agreement for the same, save as contemplated by the Budget for the relevant period;
- 36.8.11 adopt or vary any other measures or systems essential for the operation of the Company (including without limitation reporting systems and management structure);

Any such appointment removal approval consent or notice shall be in writing served on the Company and signed on behalf of the Parent Company by any person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether any requisite approval or consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.