



The Companies Act 1985
Company Limited by Shares

Number: 3055360

MEMORANDUM AND NEW
ARTICLES OF ASSOCIATION

Of:

MATLORILL LIMITED

Incorporated: 11 May 1995
Reprinted: 30 June 1995



Donne Mileham
& Haddock

SOLICITORS AND NOTARIES

38/42 High Street
Crawley
West Sussex RH10 1BW

ref 19:DJB

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

-OF-

MATLORILL LIMITED

1. The Company's name is "MATLORILL LIMITED".
2. The Company's registered office is to be situated in England and Wales.
- 3.(a) The Company's objects are to carry on the business as a holding company in all its branches and to acquire by purchase, lease, concession, grant, licence, or otherwise, such lands, buildings, leases, underleases, rights, privileges, stocks, shares, debentures, debenture stock, bonds, obligations, or securities of any government, state or authority or of any public or private company, corporate or unincorporate, policies of assurance and such other property and rights and interest in property as the Company shall deem fit whether the acquisition of any such property or investment is calculated to produce gain or loss, but so that the Company shall not have the power to deal or traffic in lands, buildings, leases, underleases, policies of life assurance or other of its property real or personal or assets, but may acquire the same for the purposes of investment only and with a view to receiving the income therefrom. If from time to time it shall be found necessary or advisable for the Company to realise all or any part of its property or assets the Company shall have power to do so, but any surpluses or deficiencies arising on or from such realisations shall be dealt with as capital surpluses not available for the payment of dividends or as capital deficiencies which shall be charged against capital account.
- (b) To carry on any other business of any description which may be capable of being advantageously carried on in connection with or ancillary to the objects of the Company or any of them.
- (c) To purchase, sell, exchange, improve, mortgage, charge, rent, let on lease, hire, surrender, licence, accept surrenders of and otherwise acquire and deal with any freehold, leasehold or other property, chattels and effects, erect, pull down, repair, alter, develop or otherwise deal with any building or buildings and adapt the same for the purposes of the Company's business.

By Special Resolution passed 5th June 1995 the objects of the Company were amended.

- (d) To purchase or otherwise acquire all or any part of the business or assets of any person, firm or company, carrying on or formed to carry on any business which this Company is authorised to carry on or possessed of property suitable to the purposes of this Company, and to pay cash or to issue any shares, stocks, debentures or debenture stock of this Company, as the consideration for such purchase or acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired.
- (e) To apply for, purchase or otherwise acquire any patents, licences or concessions which may be capable of being dealt with by the Company, or be deemed to benefit the Company and to grant rights thereout.
- (f) To sell, let, licence, develop or otherwise deal with the undertaking, or all or any part of the property or assets of the Company, upon such terms as the Company may approve, with power to accept shares, debentures or securities of, or interests in, any other company.
- (g) To invest and deal with the moneys of the Company not immediately required for the purposes of the Company in or upon such securities and subject to such conditions as may seem expedient.
- (h) To lend money to such persons, upon such terms and with or without security and subject to such conditions as may seem desirable.
- (i) To guarantee the payment of any debentures, debenture stock, bonds, mortgages, charges, obligations, interest, dividends, securities, moneys or shares or the performance of contracts or engagements of any other company or person, and to give indemnities and guarantees of all kinds and to enter into partnerships or any joint purse arrangements with any person, persons, firm or company having for its objects similar objects to those of this Company or any of them.
- (j) To borrow or raise money in such manner as the Company shall think fit, and in particular, by the issue of debentures or debenture stock, charged upon all or any of the Company's property, both present and future, including its uncalled capital, and to re-issue any debentures at any time paid off.
- (k) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures, warrants and other negotiable documents.

- (l) To purchase, subscribe for, or otherwise acquire and hold shares, stock or other interests in, or obligations of any other company or corporation.
- (m) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (n) To pay out of the funds of the Company all costs and expenses of or incidental to the formation and registration of the Company and the issue of its capital and debentures including brokerage and commission.
- (o) To promote or aid in the promotion of any company or companies for the purpose of acquiring all or any of the property rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to advance the interests of this Company.
- (p) To establish and support and aid in the establishment and support of funds or trusts calculated to benefit employees or ex-employees of the Company (including any Director holding a salaried office or employment in the Company) or the dependants or connections of such persons and to grant pensions and allowances to any such person.
- (q) To remunerate the Directors of the Company in any manner the Company may think fit, and to pay or provide pensions for or make payments to or for the benefit of Directors and ex-Directors of the Company or their dependants or connections.
- (r) To distribute any property of the Company in specie among the members.
- (s) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

It is declared that the foregoing sub-clauses shall be construed independently of each other and none of the objects therein mentioned shall be deemed to be merely subsidiary to the objects contained in any other sub-clause.

4. The liability of the Members is limited.

- * 5. The Company's Share Capital is £4,831,250 divided into 3,262,500 'A' preference shares of 50p each 600,000 'B' preference shares of 50p each 1,200,000 'A' ordinary shares of £1 each and 1,700,000 ordinary shares of £1 each with power to increase or to divide the shares in the capital for the time being into different classes having such rights privileges and advantages as to voting and otherwise as the Articles of Association may from time to time prescribe.

* By Special Resolution passed on 30 June 1995 the capital was increased to this from £100.

We, the subscribers to this memorandum of association, wish to be formed into a Company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

NAMES AND ADDRESSES
OF SUBSCRIBERS

NUMBER OF
SHARES TAKEN BY
EACH SUBSCRIBER

BETTY JUNE DOYLE
8 The Bartons
Elstree Hill North
Elstree
Herts
WD6 3EN

ONE

DANIEL JOHN DWYER
6 Brimstone Close
Chelsfield Park
Chelsfield
Kent
BR6 7ST

ONE

TOTAL SHARES TAKEN

TWO

DATED the 3rd day of April 1995
WITNESS to the above Signatures

JANE LLOYD
20 Fairlop Close
Hornchurch
Essex
RM12 5PH

"A"
A

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of

MATLORILL LIMITED

Registered Number 3055360

(adopted by special resolution on ^{30th} June 1995)

Preliminary

1. In these articles:-
 - 1.1 'the Act' means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.
 - 1.2 'Table A' means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985.
 - 1.3 '3i' means 3i Group plc.
 - 1.4 'the Investment Agreement' means the agreement for share subscription entered into or to be entered into between the Company (1) the Promoters (as defined therein) (2) 3i plc (3) and 3i (4).
 - 1.5 The expression 'Investor' shall mean each of 3i and any person who is or becomes an Investor for the purposes of the Investment Agreement or any nominee of 3i, or any such person. The expression 'member of an Investor's Group' shall mean an Investor, any subsidiary of that Investor and any holding company of that Investor and any subsidiary of such holding company and any nominee of any of the foregoing and 'Investor's Group' or 'Group' shall be construed accordingly.
 - 1.6 The expression 'Relevant Directors' shall mean the Company's and any subsidiary's directors and former directors and their connected persons (as defined by section 839 Income and Corporation Taxes Act 1988) but excluding any Special Director (as hereinafter defined).

- 1.7 The word 'emoluments' shall include all salary and all items set out in paragraph 1(4) of schedule 6 to the Act.
- 1.8 Where any sum is stated to be subject to Annual Review it shall be adjusted by the amount (if any) agreed in writing between the holders of not less than 75% of the ordinary shares and the holders of not less than half of the 'A' ordinary shares. Any adjustment shall be effective from 31 December in the relevant year and shall remain in effect until again adjusted. The first adjustment shall be considered for the period from 31 December 1996.
- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

Share capital

3. The share capital of the Company is £4,831,250 divided into 3,262,500 'A' preference shares of 50p each 600,000 'B' preference shares of 50p each 1,200,000 'A' ordinary shares of £1 each and 1,700,000 ordinary shares of £1 each. The rights attaching to the respective classes of shares shall be as follows:-

3.1 Income

The profits of the Company available for distribution shall be applied as follows:-

- 3.1.1 First in paying to the holders of the 'A' preference shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the 'A' Preference Dividend') of 9 pence per annum on each share accruing from the date of subscription for the 'A' preference shares and payable half yearly on 1 July and 1 January, the first such payment to be made on 1 January 1996.

- 3.1.2 Second in paying to the holders of the 'B' preference shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as the 'B' Preference Dividend) of 9 pence per annum on each share accruing from the date of subscription for the 'B' preference shares and payable half yearly on 1 July and 1 January, the first such payment to be made on 1 January 1996.
- 3.1.3 Third in paying to the holders of the 'A' ordinary shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Fixed Dividend') of 9 pence per annum on each share accruing from the date of subscription for the 'A' ordinary shares and payable half yearly on 1 July and 1 January, the first such payment to be made on 1 January 1996.
- 3.1.4 Fourth in paying to the holders of the 'A' ordinary shares as a class in respect of each financial year of the Company commencing after 30 September 1997 a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Participating Dividend') of a sum which when added to the total of the Fixed Dividend payable in respect of that year is equal to 10% of the Net Profit (calculated as hereinafter provided) of the Company and its subsidiaries for the relevant financial year. The Participating Dividend (if any) shall be paid not later than 4 months after the end of each successive accounting reference period of the Company or not later than 14 days after the audit report on the accounts of the Company for such period is signed by the Company's auditors, whichever is earlier.

For the purpose of calculating the Participating Dividend, the expression 'Net Profit' shall mean the profit on ordinary activities before taxation of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest £1) but adjusted by:-

- 3.1.4.1 adding back any payment or provision which has been made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserve and any amortisation of goodwill;

3.1.4.2 disregarding extraordinary items;

3.1.4.3 adding back any amount in excess of £400,000 (subject to Annual Review) in the aggregate charged in respect of emoluments payable to Relevant Directors.

3.1.5 Fifth in paying to the holders of the 'A' ordinary shares in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Compensatory Dividend') on each share of an amount which, when added to the Fixed Dividend and the Participating Dividend paid on such share for the same financial year, shall equal the aggregate of:-

commencing on
1st October 1995

3.1.5.1 any Initial Ordinary Dividend (as hereinafter defined) paid in such financial year on all of the ordinary shares held by or on behalf of Relevant Directors (hereinafter in these articles referred to as 'Directors Shares'); and

3.1.5.2 the Excess Remuneration (as hereinafter defined)

divided by the number of Directors Shares in issue on the last day of the relevant financial year.

For the purpose of calculating the Compensatory Dividend the expression 'Excess Remuneration' shall mean emoluments in excess of £400,000 (subject to Annual Review) in the aggregate (or such other sum as may be agreed in writing from time to time by the holders of half of the 'A' ordinary shares) payable in respect of the relevant financial year to Relevant Directors after deducting income tax at the basic rate on such excess sum. The Compensatory Dividend (if any) shall be paid on the due date for payment of the Participating Dividend.

3.1.6 No dividend shall be declared or paid to the holders of ordinary shares in respect of any financial year of the Company unless and until:-

3.1.6.1 the 'A' Preference Dividend, the 'B' Preference Dividend, the Fixed Dividend and the Participating Dividend (if any) have been paid in full in respect of that financial year and in respect of all previous financial years of the Company;

3.1.6.2 any Compensatory Dividend due in respect of all previous financial years of the Company has been paid in full and in respect of that financial year is declared and paid in full at the same time as any Initial Ordinary Dividend (as hereinafter defined) paid in that year; and

3.1.6.3 all 'A' and 'B' preference shares which have fallen due for redemption have been redeemed

but subject thereto the profits which the Company may determine to distribute in respect of any financial year shall be applied:-

3.1.6.4 First with the prior written consent of the holders of half of the 'A' ordinary shares in paying to the holders of the ordinary shares a dividend ('the Initial Ordinary Dividend') on each share of an amount up to but not exceeding the aggregate of the Fixed Dividend and the Participating Dividend paid on each 'A' ordinary share for such year;

3.1.6.5 Second with the prior written consent of the holders of half of the 'A' ordinary shares in distributing the balance of such profits amongst the holders of the 'A' ordinary shares and the ordinary shares (pari passu as if the same constituted one class of share).

3.1.7 Every dividend shall be distributed to the appropriate shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

3.1.8 Unless the Company has insufficient profits available for distribution and the

Company is thereby prohibited from paying dividends by the Act the 'A' Preference Dividend, the 'B' Preference Dividend, the Fixed Dividend the Participating Dividend and the Compensatory Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend provided that if due to delays in the preparation of the audited accounts of the Company the Participating Dividend cannot be calculated by the date it is due for payment then there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable. The next and (if appropriate) any subsequent Participating Dividend shall be adjusted to take account of any overpayment or underpayment in respect of the said interim dividend which becomes apparent when the audited accounts are available.

- 3.1.9 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any redemption moneys due on the preference shares and the 'A' Preference Dividend, the 'B' Preference Dividend, the Fixed Dividend, the Participating Dividend and the Compensatory Dividend.

3.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- 3.2.1 first in paying to the holders of the 'A' preference shares £1 per share together with a sum equal to any arrears or accruals of the 'A' Preference Dividend calculated down to the date of the return of capital;
- 3.2.2 second in paying to the holders of the 'B' preference shares £1 per share together

with a sum equal to any arrears or accruals of the 'B' Preference Dividend calculated down to the date of the return of capital;

3.2.3 third in paying to the holders of the 'A' ordinary shares £1.00 per share together with a sum equal to any arrears or accruals of the dividends on the 'A' ordinary shares calculated down to the date of the return of capital;

3.2.4 fourth in paying to the holders of ordinary shares £1.00 per share; and

3.2.5 the balance of such assets shall be distributed amongst the holders of the 'A' ordinary shares and ordinary shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the 'A' ordinary shares and ordinary shares held by them respectively.

3.3 Conversion

The holders of the 'A' ordinary shares may at any time and shall on a Listing Date and a Sale Date (as defined in article 3.4.4) convert the whole of their 'A' ordinary shares into a like number of ordinary shares and the following provisions shall have effect:-

3.3.1 the conversion shall be effected by notice in writing given to the Company signed by the holders of half of the 'A' ordinary shares and the conversion shall take effect immediately upon the date of delivery of such notice to the Company unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when such conditions have been fulfilled;

3.3.2 forthwith after conversion takes effect the holders of the ordinary shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of 'A' ordinary shares and the Company shall issue to such holders respectively certificates for the ordinary shares resulting from the conversion;

3.3.3 the ordinary shares resulting from the conversion shall rank from the date of

conversion pari passu in all respects with the other ordinary shares in the capital of the Company;

- 3.3.4 on the date of conversion the Company shall pay a dividend to the holders of the 'A' ordinary shares of a sum equal to any arrears or accruals of the dividends on the 'A' ordinary shares calculated on a daily basis to the date of conversion and the Participating Dividend shall be calculated pro rata according to the profits of the Company and its subsidiaries for the relevant financial year down to the date of such conversion such profits to be calculated by the Company on a basis reasonably acceptable to the holders of half of the 'A' ordinary shares.

3.4 Redemption of the 'A' preference shares and the 'B' preference shares

- 3.4.1 Subject to the provisions of the Act on each of the dates set out below that number of 'A' preference shares and the 'B' preference shares set out below opposite the relevant date shall be redeemed:-

<u>Redemption date</u>	<u>Number of 'A' shares redeemable</u>	<u>Number of 'B' shares redeemable</u>
1 July 1995	nil	25,000
31 March 1998	217,500	57,500
30 September 1998	217,500	57,500
31 March 1999	217,500	57,500
30 September 1999	217,500	57,500
31 March 2000	217,500	57,500
30 September 2000	217,500	57,500
31 March 2001	217,500	57,500
30 September 2001	217,500	57,500
31 March 2002	217,500	57,500
30 September 2002	217,500	57,500

and any shares not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

- 3.4.2 Subject to the provisions of the Act the Company may with prior written consent of the holders of half of the 'A' preference shares provided there are no arrears of dividend on the 'A' ordinary shares or 'A' preference shares redeem all or (in instalments of not less than 100,000 shares) some of the 'A' preference shares in advance of the due date for redemption and in the absence of any contrary agreement between such holders and the Company any partial early redemption shall be deemed to relate to the shares falling due for redemption in inverse order of maturity.
- 3.4.3 Subject to the provisions of the Act the Company shall procure that in each successive financial year of the Company an amount equal to the Excess Cash is applied in redemption of so many 'A' preference shares as can be redeemed with such amount. For the purposes of this article "Excess Cash" means, in relation to any financial year of the Company, the amount (as agreed between the Company and the holders of half the 'A' preference shares or in default of agreement as determined by the Company's auditors) by which the aggregate of the amounts standing to the credit of the Company or any of its subsidiaries on any deposit, savings or current account and cash in hand, the amount if any of any undrawn overdraft facilities of the Company and its subsidiaries (in each case as they appear in the Company's audited consolidated cash flow statements for such financial year) plus the capital value of any debt securities or other securities and the capital value of any other cash equivalent investments held by the Company or any of its subsidiaries (as they appear in the Company's audited consolidated balance sheet for such financial year) exceeds an amount equal to the aggregate amount shown for all such amounts in the budget contained in the Annual Business Plan (as defined in the Investment Agreement) for such financial year plus £500,000. Any early redemption pursuant to this article 3.4.3 shall be deemed to relate to the shares falling due for redemption in inverse order of maturity. Any redemption pursuant to this article 3.4.3 shall take place on the date 14 days after the audit report on the accounts of the Company for such financial year is signed by the Company's auditors.
- 3.4.4 Subject to the provisions of the Act all of the 'A' preference shares and 'B' preference shares shall (unless the holders of half of the 'A' preference shares and two thirds of the 'B' preference shares give notice in writing to the Company to the

contrary) be redeemed immediately upon any of the following dates:-

- 3.4.4.1 the date (the "Listing Date") upon which any of the equity share capital of the Company is admitted to the Official List of the Stock Exchange or permission for any of the equity share capital of the Company to be dealt in on the Unlisted Securities Market or any other recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) becomes effective; or
 - 3.4.4.2 the date (the "Sale Date") upon which a successful offer to purchase 90% or more of the issued equity share capital of the Company (or 90% or more of all such capital including any already held by the offeror) is completed.
- 3.4.5 For the avoidance of doubt, in respect of redemptions of 'A' preference shares and 'B' preference shares due on the same date, none of the 'B' preference shares shall be redeemed until the scheduled redemption of 'A' preference shares on such date has been made in full.
- 3.4.6 For the avoidance of doubt, no redemption of 'B' preference shares shall be made other than pursuant to and on the dates shown in article 3.4.1 without the prior consent the holders of half of the 'A' ordinary shares.
- 3.4.7 On the dates fixed for any redemption the Company shall pay to each registered holder of 'A' preference shares and/or 'B' preference shares (as the case may be) the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of 'A' preference shares or 'B' preference shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

3.4.8 The Company shall pay on each of the 'A' preference shares and/or, 'B' preference shares so redeemed a sum equal to the subscription price of such shares (including any premium) and shall contemporaneously pay any arrears or accruals of the 'A' Preference Dividend and/or the 'B' Preference Dividend (as the case may be) calculated to the date of redemption and in the absence of any direction to the contrary by the holder of the relevant 'A' preference share or 'B' preference share any moneys paid on redemption of such share shall relate first to the said arrears and accruals of 'A' Preference Dividend and/or 'B' Preference Dividend (as the case may be). The 'A' Preference Dividend and/or the 'B' Preference Dividend (as the case may be) shall cease to accrue from the date of payment of the redemption moneys.

Class Rights

4. 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, only with the consent in writing of the holders of half of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the 'A' preference shares and the 'A' ordinary shares shall be deemed to be varied (if no such consent in writing has been given):-
 - 4.1 by the grant of any option or other right to subscribe for shares and by any alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or
 - 4.2 by the disposal of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof or by the disposal of any share in the capital of any subsidiary of the Company; or
 - 4.3 by the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries; or
 - 4.4 by the application by way of capitalisation of any sum in or towards paying up any debenture

or debenture stock of the Company; or

- 4.5 by any alteration of the restrictions on the powers of the directors of the Company and its subsidiaries to borrow give guarantees or create charges; or
- 4.6 by the winding up of the Company; or
- 4.7 by the redemption of any of the Company's shares (otherwise than pursuant to these articles) or by the entering into of a contract by the Company to purchase any of its shares; or
- 4.8 by any alteration of the Company's memorandum or articles of association; or
- 4.9 by any alteration of the Company's accounting reference date; or
- 4.10 by the entering into of a written service agreement with any director or connected person (as defined by section 839 Income and Corporation Taxes Act 1988) or the material variation of any such existing service agreement with any such person; or
- 4.11 by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this article be a variation of the class rights of the 'A' ordinary and 'A' preference shares.

Lien

- 5. The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

Calls

- 6. 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.'

Transfer of Shares

7. The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.
- 8.1 For the purposes of these articles, 'Privileged Relation' in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children.
- 8.2 Notwithstanding any other provision in these articles any member may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation.
- 8.3 If any person (an 'Employee Member') ceases to be an employee or director of the Company or its subsidiaries, and does not forthwith become or continue to be an employee or director of any of the Company or its subsidiaries Transfer Notices (as hereinafter defined) shall be deemed to have been served forthwith upon such cessation in respect of:-
 - 8.3.1 all shares held by the Employee Member; and
 - 8.3.2 all shares originally held by the Employee Member but held by his Privileged Relations at the time of such cessation.

- 9.1 Save as otherwise provided in these articles every member who desires to transfer any shares (hereinafter called 'the Vendor') shall give to the Company notice in writing of such desire (hereinafter called a 'Transfer Notice'). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein (hereinafter called 'the Sale Shares') in one or more lots at the discretion of the directors to all the holders of 'A' ordinary and ordinary shares in the Company (such shares being hereinafter in this article referred to as 'Equity Shares') other than the Vendor at the Sale Price. The Sale Price shall be the price agreed by the Vendor and the directors or if the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or if the Transfer Notice is a deemed Transfer Notice the price which a chartered accountant (acting as an expert and not as an arbitrator) nominated by agreement between the Vendor and the Company or in default of such agreement by the President for the time being of the Institute of Chartered Accountants in England and Wales shall by writing under his hand certify to be in his opinion a fair value thereof on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. Save for shares sold pursuant to a deemed Transfer Notice the Transfer Notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this article none shall be sold and any such provision shall be binding on the Company.
- 9.2 If a chartered accountant is asked to certify the fair value as aforesaid his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for shares sold pursuant to a deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.
- 9.3 Upon the price being fixed as aforesaid and provided the Vendor shall not give a valid notice of cancellation the Company shall forthwith offer the Sale Shares to all holders of Equity Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing

numbers of Equity Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the members hereinbefore mentioned have not so stated their willingness to purchase the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. Such remaining shares shall be offered pro rata as nearly as may be in proportion to existing numbers of Equity Shares then held by such members which offer shall remain open for a further period of twenty-one days.

- 9.4 If the Company shall pursuant to the above provisions of this article find a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 9.5 If the directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this article the Vendor shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price being no less than the Sale Price.
- 9.6 The foregoing provisions of this article shall not apply to the following transfers which may be made without restriction as to price or otherwise and any such transfers shall be registered by the directors:-

9.6.1 any transfer by a member to any person with the prior consent in writing of the holders of half of the 'A' ordinary shares and the holders of 75% of the ordinary shares;

9.6.2 any transfer by any member of an Investor's Group to any other member in the same Investor's Group (provided that if such transferee ceases to be a member of the Investor's Group it shall forthwith transfer the relevant shares to a member of the relevant Investor's Group);

9.6.3 a transfer of any shares in the Company held by an Investor (other than 3i) (or a nominee of an Investor other than 3i) who is:-

- (1) a person whose principal business is to make, manage or advise upon investments (an "Investment Manager"); or
- (2) a fund, partnership, company, syndicate or other entity whose principal purpose is to make investments and whose business is managed by an Investment Manager (an "Investment Fund"); or
- (3) a nominee of an Investment Manager or an Investment Fund

may be made between the Investor (or its nominee) and:-

(A) where the Investor is an Investment Manager or a nominee of an Investment Manager:-

- (i) any participant or partner in or member of any Investment Fund in respect of which the shares are held (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);
- (ii) any Investment Fund whose business is managed by the

Investment Manager who is or whose nominee is the transferor;

(iii) any other Investment Manager who manages the business of the Investment Fund in respect of which the shares are held;

(B) where that Investor is an Investment Fund or a nominee of an Investment Fund:-

(i) any participant or partner in or member of the Investment Fund which is or whose nominee is the transferor (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);

(ii) any other Investment Fund whose business is managed by the same Investment Manager as the Investment Fund which is or whose nominee is the transferor;

(iii) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor

(or, in any such case, a nominee on behalf thereof).

9.7 Subject to the provisions of articles 8 and 10, any purported transfer of shares otherwise than in accordance with the foregoing provisions of this article 9 shall be void and have no effect.

Limitation on transfer of control

10.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of half of the 'A' ordinary shares if as a result of such sale or transfer and registration thereof a Controlling

Interest (as hereinafter defined) would be obtained in the Company:-

- 10.1.1 by a company (other than a company to which the immediately following sub-article applies) or by a person or persons (other than a company) who are not Original Members (as hereinafter defined) unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the 'A' ordinary shares at the Specified Price (as hereinafter defined) and (if not redeemed) all the 'A' preference shares at a price per share of at least £1 plus a sum equal to any arrears or accruals of the 'A' Preference Dividend grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer; or
- 10.1.2 by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the July 1993 edition of the City Code on Takeovers and Mergers) with any member of the Company has or as a result of such sale or transfer will have a Controlling Interest.

provided always that no sale or transfer of shares in the Company held by Hannelore Erika Schlieker-Bollmann may be made without such consent as aforesaid.

10.2 For the purpose of this article:-

- 10.2.1 the expression 'a Controlling Interest' shall mean an interest in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;
- 10.2.2 the expression 'Original Members' shall mean persons who were members of the Company on the date of the adoption of these articles and the Privileged Relations of such members;
- 10.2.3 the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any

such letter of allotment; and

10.2.4 the expression 'the Specified Price' shall mean at the option of the holders of half of the 'A' ordinary shares either:-

10.2.4.1 a price per share of £1.00; or

10.2.4.2 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other 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 other shares provided that if any part of the price per share is payable otherwise than by cash the holders of the 'A' ordinary shares may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole;

plus in either case a sum equal to any arrears or accruals of the dividends on such share grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as an expert and not as an 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.

10.3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

Voting

11.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every £1 in nominal amount of shares in the capital of the Company of which he is the holder.

11.2 The holders of the 'A' preference shares and 'B' preference shares shall be entitled to receive notice of all general meetings but shall not by reason of such holding be entitled to attend or vote thereat unless in the case of the 'A' preference shares only:-

11.2.1.1 any of the 'A' Preference Dividend has not been paid within six months of the relevant date set out in these articles or;

11.2.1.2 on the relevant due date for redemption the Company shall have failed to redeem any of the 'A' preference shares then due for redemption;

and

11.2.2 the holders of the 'A' preference shares have given notice in writing to the Company requiring payment of arrears of dividend and/or redemption of the relevant 'A' preference shares within seven days of the date such notice; and

11.2.3 such seven days notice expires without either:-

(i) payment of such arrears of dividend and/or the redemption of such 'A' preference shares; or

(ii) the making of proposals in respect of such arrears or redemption, being proposals accepted by the holders to not less than half of the 'A'

preference shares;

when the holders of the 'A' preference shares shall have one vote for each 'A' preference share held by them.

Appointment of Directors

12. 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. In addition, the holders of shares representing more than half of the shares which carry the right to attend a vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

Proceedings of Directors

13. Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.
- 14.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
 - 14.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 14.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 14.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in

which the Company is in any way interested;

14.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

14.1.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this article.

14.2 For the purposes of this article:-

14.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

14.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

14.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Directors' Borrowing Powers

15. Subject as hereinafter provided the directors may exercise all the powers of the Company (whether express or implied):-

- 15.1 of borrowing or securing the payment of money;
- 15.2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and
- 15.3 of mortgaging or charging the property assets and uncalled capital of the Company and (subject to section 80 of the Act) of issuing debentures

but so that:-

- 15.4 the directors of the Company shall procure that the aggregate amounts for the time being remaining undischarged by virtue of any of the foregoing operations by the Company and all subsidiaries of the Company and by virtue of any like operations by the Company and all subsidiaries of the Company (including any liability (whether ascertained or contingent) under any guarantee for the time being in force and including amounts due under any hire purchase, credit sale, conditional sale or leasing agreements (other than leases of real or heritable property) which can in accordance with current accounting practice be attributed to capital but excluding inter-company loans, mortgages and charges) shall not without the previous sanction of the holders of half of the 'A' ordinary shares and the holders of half of the 'A' preference shares exceed a sum which is the greater of £750,000 or one and a half times the nominal amount of the share capital of the Company for the time being issued and paid up or credited as paid up and the amounts for the time being standing to the credit of the capital and revenue reserves and the share premium account of the Company and all its subsidiaries (excluding any amounts arising from the writing up of the book values of any capital assets any amounts attributable to goodwill and minority interests and any amounts set aside for future taxation) all as shown by the then latest audited consolidated balance sheet of the Company;
- 15.5 no such sanction shall be required to the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding, notwithstanding that the same may result in such limit being exceeded;
- 15.6 no lender or other person dealing with the Company shall be concerned to see or enquire

whether the limit imposed by this article is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded;

- 15.7 except with the previous sanction of the holders of half of the 'A' ordinary shares and the holders of half of the 'A' preference shares no mortgage or charge shall be created on any part of the undertaking property or assets of the Company or any subsidiary of the Company except for the purpose of securing moneys borrowed from any member of an Investor's Group with interest thereon and from bankers with interest thereon and bank charges.

Special Director

16. Notwithstanding any other provisions of these articles 3i shall be entitled to appoint as a director of the Company any person (herein referred to as a 'Special Director') and to remove from office any person so appointed and to appoint another person in his place. Upon request by 3i the directors shall also procure that the Special Director appointed by 3i is appointed and acts as Chairman of the board of directors of the Company. In addition to the Special Director appointed by 3i, the Investors (other than 3i) acting together shall also be entitled to appoint as a director of the Company any person (herein also referred to as a 'Special Director') and to remove from office any person so appointed and to appoint another person in his place. The remuneration and reasonable expenses to be paid to a Special Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by 3i. Upon request by the Investor by whom he is appointed the Company shall also procure that a Special Director be appointed a director to any subsidiary of the Company.

Indemnity

17. Subject to the provisions of the Act but without prejudice to any indemnity to which a

director 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 all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Syndication

- 18.1 3i may at any time before 1 July 1996 require redemption of such of their 'A' ordinary shares and/or 'A' preference shares as they may specify up to a maximum of one half of their original holding of such shares. The shares being redeemed are in this article called 'Redemption Shares'.
- 18.2 Redemption of Redemption Shares in accordance with this article shall be made forthwith upon the issue by the Company to one or more Syndicatees of equal numbers of 'A' ordinary shares and 'A' preference shares.
- 18.3 The Company shall pay to each holder of Redemption Shares (or as it shall direct) upon redemption of such shares a sum equal to the subscription price paid for such shares. The redemption moneys shall be paid in accordance with the provisions of an Accession Agreement entered into pursuant to the Investment Agreement. Upon receipt of the redemption moneys each holder of Redemption Shares shall surrender to the Company the certificates for his Redemption Shares in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue to the holders a fresh certificate for the balance of the shares not redeemable.
- 18.4 Upon redemption of the Redemption Shares all rights to any arrears, deficiency or accruals of dividends on such shares shall be extinguished.

- 18.4 Each Syndicatee shall, notwithstanding the date upon which he becomes a member of the Company and in addition to his rights under article 3.1, be entitled to receive by way of dividend on each 'A' ordinary share and each 'A' preference share subscribed by him an amount equal to all arrears, deficiencies or accruals of dividends to which each of the 'A' ordinary shares and each of the 'A' preference shares respectively would have been entitled if such shares had not been redeemed in accordance with this article 18 on the dates on which such dividends would have been payable.
- 18.5 For the purposes of section 80 of the Act the directors are hereby unconditionally authorised to allot to Syndicatees up to a total of 400,000 'A' ordinary shares of £1 each and 1,087,500 'A' preference shares of 50 pence each. By virtue of section 91 of the Act section 89(1) of the Act shall not apply to any such allotments. The authority contained in this sub-article shall terminate on 2 July 1996.