

THE COMPANIES ACT 1985 - 1989

COMPANY LIMITED BY SHARES

HBJ 366 LIMITED

(COMPANY NO. 177007)



The undernoted Resolution was duly approved as a Special Resolution of the Company by Written Resolution on 14 AUGUST 1997, viz:-

Special Resolution

"That:-

**Part 1** The name of the company be and is hereby changed from 'HBJ 366 Limited' to 'Paragon Inks (Holdings) Limited'.

**Part 2** The authorised share capital of the Company be and is hereby increased to £25,000 by the creation of additional 24,000 Ordinary Shares of £1 each to rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.

**Part 3** The Directors be and they are hereby authorised generally and unconditionally pursuant to Section 80(1) of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £24,998, such authority to expire on the date occurring five years after the date of the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot the relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

**Part 4** The Articles of Association be amended as follows:-

(i) by the insertion of the following new clauses 1(e) and (d):-

"1. (e) In these Articles the expression "Mr Merten" means Mr Gerald Neil Merten, residing at 27 Polwarth Terrace, Edinburgh EH11 1NF.

(d) In these Articles the expression "Independent Expert" means an umpire (acting as an expert and not as an arbiter) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by

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the President for the time being of the Institute of Chartered Accountants for Scotland."; and

- (ii) by the insertion of the following new clauses 16 and 17:-

**"PRE-EMPTION RIGHTS**

16. (a) 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"). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices 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 at the Sale Price.
- (b) The Sale Price shall be the price agreed by the Vendor and the Directors. If the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value thereof. In arriving at his opinion the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any increase or reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a majority or minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall be final and binding.
- (c) If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the

certificate shall be paid by the Company unless the Vendor cancels it in which case the Vendor shall bear the cost.

- (d) Once the Sale Price has been determined then unless the Vendor gives a valid notice of cancellation the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.
- (e) As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to all holders of shares in the issued share capital of the Company (other than the Vendor) pro rata as nearly as may be to the respective numbers of shares held by such members.

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for twenty one days ("the First Offer Period").

- (f) If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated, 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.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient shares to meet the demand, then the Directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of shares held by the relevant members. This further offer will remain open for a further period of 21 days.

- (g) If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article, 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 defaults in transferring Sale Shares 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.

- (h) If the Company does not find purchasers for all of the Sale Shares under the terms of this article, the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been sold to any person at a price which is no less than the Sale Price.
- (i) Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these articles shall be void and have no effect.

#### **MANDATORY RETIREMENT OF DIRECTORS AT 65 AND DEEMED TRANSFER**

- 17 Any Director of the Company from time to time (other than Mr Merten) who reaches the age of 65 shall be obliged to retire as a Director of the Company on their sixty fifth birthday ("the Termination Date"). A Transfer Notice shall be deemed to have been served on the Termination Date in respect of all shares held by that retiring Director in the capital of the Company on the Termination Date ("a Deemed Transfer Notice") and the provisions of Article 16 shall apply."

Dated this 14th day of August 1997

**CERTIFIED A TRUE COPY**

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Director

Attest  
Director