

Company No. 2776712

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ARMOURVALE LIMITED

Incorporated 4th January 1993

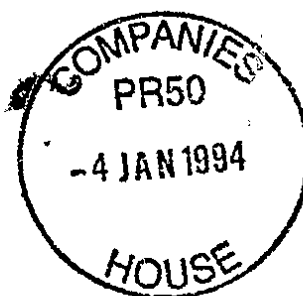
Adopted by special resolution passed on 17th December 1993

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PRELIMINARY

1. (A) The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("Table A") apply to the Company except to the extent that they are excluded or modified by these articles. No other regulations contained in any statute or subordinate legislation apply as the regulations or articles of association of the Company.
- (B) The regulations of Table A numbered 2, 3, 8, 38, 39, 41, 50, 54, 60, 61, 64, 65, 73, 74, 75, 76, 77, 78, 79, 80, 81, 84, 89, 90, 94, 95, 96, 97, 98, 115 and 118 do not apply. The regulations of Table A numbered 1, 24, 37, 45, 46, 53, 57, 59, 62, 65, 66, 67, 68, 72, 79, 88, 91, 110, 112 and 116 are modified. Subject to these exclusions and modifications, and in addition to the remaining regulations of Table A, the following are the articles of association of the Company.

(C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

(D) In the articles, unless indicated to the contrary:-

"Option Agreement" means the agreement dated [] between Chrysalis Holdings Limited (1) S Lewis (2) the Company (3) Chrysalis Group plc (4) and Lapishaven Limited (5);

"Share" means a share of 10p in the capital of the Company;

"Transfer" means any sales transfer (whether voluntary or otherwise) or other disposition of, or a grant of an option over any Share, or any legal or beneficial interest in any Share; and

"Mr. Lewis" means Mr Lewis of 40 Litchfield Way, London NW11 6NG, a shareholder of the Company.

PRIVATE COMPANY

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

SHARE CAPITAL

3. The authorised share capital of the Company at the date of adoption of these articles is £1,000 divided into 10,000 ordinary shares of £0.10p each.

TRANSFERS

4. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is a fully-paid share or a share on which the Company has a lien.
5. Transfers of Shares shall only be made in accordance with the provisions of the Option Agreement.

GENERAL MEETINGS

6. Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days".

NOTICE OF GENERAL MEETINGS

7. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

PROCEEDINGS AT GENERAL MEETINGS

8. A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.
9. Regulation 53 of Table A is modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly."

VOTES OF MEMBERS

10. Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase ", unless the directors otherwise determine,".

11. Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it."
12. An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor.
13. Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "at any time" in place of "not less than 48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "not less than 24 hours".
14. If within half an hour of the time appointed for a meeting a quorum is not present the meeting shall stand adjourned to the same day seven days later at the same time and place and if at an adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting the meeting shall be dissolved.
15. Subject to any rights or restrictions attached to any share, 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 held by the member.
16. No share of either class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class.

NUMBER OF DIRECTORS

17. Unless otherwise determined by ordinary resolution, the minimum number of directors (other than alternate directors) shall be two and the maximum number is six.

ALTERNATE DIRECTORS

18. Each member with a right to appoint a director pursuant to these articles may appoint any person to be an alternate director in the place of such director for such period as it determines and the alternate need not be approved by resolution of the directors.

19. An alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A is modified accordingly.
20. Regulation 68 of Table A is modified by the deletion of the words "by the director" and the substitution therefor of the words "by the members" addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

DELEGATION OF DIRECTORS' POWERS

21. Regulation 72 is modified by the addition at the end of the regulation of the following sentence: "Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee."

APPOINTMENT AND REMOVAL OF DIRECTORS

22. The directors are not subject to retirement by rotation. Regulations 73, 74 and 75 of Table A do not apply, and reference in any other regulation to retirement by rotation shall be disregarded.

APPOINTMENT AND REMOVAL OF DIRECTORS

23. The holders for the time being of a majority of the Shares may from time to time appoint up to 4 persons to be directors and these directors and any alternate shall be called Chrysalis Directors. Mr Lewis shall be a director and he and any alternate shall be called the SL Director.
24. If there is a vacancy for the appointment of a Chrysalis Director or an SL Director and the holders of the majority of the Shares or the minority of Shares (as the case may be) have not filled the vacancy in the manner set out in this article within ninety days of the creation of the vacancy, the Company shall convene a separate class meeting of the holders of majority of the Shares or minority of the Shares (as the circumstances require) to elect a replacement Chrysalis Director or SL Director. The provisions of these articles relating to general meetings shall apply to a separate class meeting, except that a quorum for the meeting shall be the holders of shares of the relevant class, present in person or by proxy or a representative.

25. Each Chrysalis Director may at any time be removed from office by the holder of the majority of the Shares and SL Director may be removed by Mr Lewis.
26. A director appointed by a member pursuant to this article shall cease to be a director from the date on which the members of the class at the time of his appointment cease to be members.
27. Any appointment or removal of a director shall be made by notice in writing served on the Company and signed by the persons appointing or removing the director. In the case of a corporation the notice may be signed on its behalf by a director or the secretary of the corporation or by its duly appointed attorney or duly authorised representative.
28. No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. No special notice is required in connection with the appointment or the approval of the appointment of such person. No director is required to vacate his office at any time because he has reached the age of 70 or another age and section 293 of the Act does not apply to the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

29. The office of a director is vacated if:
- (a) 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
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or
 - (d) he resigns his office by notice to the Company; or
 - (e) he is for more than six consecutive months absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the directors resolve that his office be vacated; or

PROCEEDINGS OF DIRECTORS

30. Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively."
31. The quorum for the transaction of business of the directors shall be one Chrysalis Director and the SL Director.
32. Unless agreed by all the directors not less than 7 days notice in writing shall be given of all meetings of the directors.
33. Each notice convening a meeting of the directors shall:
 - (a) be sent to the address notified from time to time by each director to the secretary (or if none has been supplied, to his last known address); and
 - (b) contain an agenda specifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by any relevant paper for discussion at the meeting.
34. If within half an hour of the time appointed for a meeting of the directors a quorum is not present the meeting shall stand adjourned to the same day seven days later at the same time and place unless agreed by all the directors. If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting the directors present shall constitute a quorum. Notice of a meeting adjourned for absence of a quorum shall be given to all directors.
35. Regulation 91 of Table A shall be modified by the exclusion of the first sentence and the substitution of the following sentences: "The chairman of the board of directors shall be appointed by the holders of the majority of the Shares".
36. A director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote.

Subject to the Act, all business transacted in this way by the directors or a committee of directors is for the purposes of the articles be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

37. If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the articles by resolution in writing signed by him, and regulations 88, 89, 91, 92 and 93 of Table A and article 28 do not apply.

DIVIDENDS

38. The directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.

CAPITALISATION OF PROFITS

39. The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly-paid shares rank for dividend and regulation 110 of Table A is modified accordingly.

NOTICES

40. Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: "A member whose registered address is not within the United Kingdom is entitled to have notices given to him at that address."
41. A notice sent to a member (or another person entitled to receive notices under the articles) by post to an address within the United Kingdom is deemed to be given:
- (a) 24 hours after posting, if pre-paid as first class, or
 - (b) 48 hours after posting, if pre-paid as second class.

A notice sent to a member (or other person entitled to receive notices under the articles) by post to an address outside the United Kingdom is deemed to be given 72 hours after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.

42. Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".

INDEMNITY

43. Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:
- (a) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
 - (b) 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.
44. The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

SOLE MEMBER

45. The Articles shall be subject to the provisions of the Option Agreement and in the event of any conflict or ambiguity between the provisions of the Articles and the Option Agreement, the provisions of the Option Agreement shall prevail.

NAME[S] AND ADDRESS[ES] OF SUBSCRIBER[S]

DATED this day of

WITNESS to the above signature[s]:

VMH\$01W3.43