

**THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES**

**MEMORANDUM AND ARTICLES OF
ASSOCIATION OF
TS4I (PROCESS UTILITIES 1) LIMITED**

**COMPANY NUMBER 4252744
INCORPORATED 16 JULY 2001**

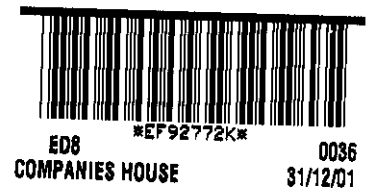
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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

TS4I (PROCESS UTILITIES 1) LIMITED

1. The Company's name is TS4I (Process Utilities 1) Limited. (Name changed from Bradenhurst Limited by Resolution dated 12 September 2001)

2. The Company's Registered office is to be situated in England and Wales.

3. The Company's objects are:-

(A) To carry on business as a general commercial company.

(B) To carry on any other trade or business of any description which may seem to the Company capable of being advantageously carried on in connection with or ancillary to the other objects of the Company.

(C) To purchase, sell, exchange, improve, rent, let on lease, hire, surrender, license, accept surrenders of and otherwise acquire, deal with and hold any estate or interest in any lands, buildings, easements, rights, privileges, or other property, chattels and effects of any interest or right in relation thereto.

(D) To erect, pull down, repair, alter, develop, construct, lay down, enlarge, maintain or otherwise deal with any buildings, factories, stores, shops, plant and machinery, roads, railways, tramways, sidings, bridges, reservoirs and works necessary or convenient for the Company's business and to contribute to the performance of any of the above.

(E) 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 the Company is authorised to carry on or possessed of property of any description suitable to the purpose of the Company, and to pay cash or to issue any shares, stocks, debentures, or debenture stock of the 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.

(F) To apply for, purchase or otherwise acquire and hold or deal in any manner with any patents, licences concessions, secret processes or other property which may seem to the Company capable of being dealt with by or to be of benefit or convenient to the pursuit of any trade or business of the Company and to grant rights and interests thereout.

(G) To sell, improve, let, license, develop, manage, turn to account, exchange, grant royalty, share of profits or otherwise, grant easement and other rights in and over and in any other manner deal with or dispose of the undertaking or any part thereof and all or any of the property and assets for the time being of the Company on such terms and for such consideration as the Company may approve.

(H) 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 from time to time be determined.

(I) To lend money to any person, firm or company upon such terms and with or without security and subject to such conditions as may from time to time be determined.

(J) To give all kinds of indemnities either with or without the Company receiving any consideration or advantage and to guarantee the payment of the capital or principal (together with any premium) of any debentures, debenture stock, bonds, mortgages, charges, obligations, dividends, securities, moneys or shares or interest thereon, of the performance of any contracts or engagements of any person, firm or company.

(K) To borrow or raise or secure the payment of money in such manner as shall from time to time be determined for the purposes of or in connection with the Company's trade or business and in particular by the issue of debentures or debenture stock, charged upon all or any of the Company's undertaking or property and by reissuing any debentures at any time paid off, and by becoming a member of any building society.

(L) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present and future, and all or any of the uncalled capital for the time being of the Company and to issue at par or at a premium or discount and for such considerations and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either, permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurances.

(M) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons, firms, or companies having dealings with the Company or in whose business or undertakings the Company is interested whether directly or indirectly.

(N) To pay for any property or rights of any description acquired by the Company either in cash, by instalments, or otherwise, or fully or partly paid up shares, either with or without preferred or deferred or other special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly, in one way and partly in another, and generally on such terms as the Company may determine.

(O) To accept payment for any property or rights of any description sold or otherwise disposed of or dealt with by the Company either in cash, by instalments or otherwise, or in fully or partly paid up shares of any company, either with or without preferred or deferred or other special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or debenture stock, mortgages or other securities of any company or companies, or partly in one mode and partly in another, and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.

(P) To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, debentures, warrants and other negotiable instruments.

(Q) To purchase, subscribe for, or otherwise acquire and hold shares, stocks, debentures, debenture stock or other interest in or obligations of any other company or corporation.

(R) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which the Company is authorised to carry on.

(S) To establish or promote or join or assist in establishing or promoting any other company or companies for the purpose of acquiring all or any of the assets and liabilities of the Company or for any other purpose the promotion of which shall be in any manner calculated or appear to the Company to advance directly or indirectly the objects or interests of the Company.

(T) To amalgamate with any other company or companies whose objects are or include objects similar to those of the Company or any of them, whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company or companies as aforesaid, with or without winding up by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.

(U) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any person, firm or company whose objects are or include objects similar to those of the Company or any of them.

(V) To establish, support and maintain and to aid and procure the establishment, support and maintenance of any non-contributory or contributory pension or superannuation funds or other trusts or funds calculated to benefit, and give or procure the giving of donations, gratuities, pensions, allowances, or enrolments to any persons who are or were at any time employed by or in the service of the Company (including any Director holding a salaried office or employment in the Company) or of any other company which is for the time being the Company's holding company, or a subsidiary of the Company (as defined by S.736 of the Companies Act 1985) or the families and dependants of such persons, and subsidise or subscribe to any institution, association, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other companies or persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid.

(W) To subscribe or guarantee money for or organise, assist any national, local, charitable, benevolent, public, general or useful object, or for any exhibition or for any purpose which may appear to further, whether directly or indirectly, the objects of the Company or the interests of its members or employees.

(X) To pay out of the funds of the Company all costs and expenses of and incidental to the formation and registration of the Company and the issue of its capital and debentures including brokerage and commission, and to remunerate any person, firm 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.

(Y) 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 families, dependants and connections.

(Z) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company.

(AA) To do all or any of the things authorised by this Memorandum in any part of the world, and either as principals or as agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either by or through agents, trustees, sub-contractors or otherwise.

(BB) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

And it is declared that the foregoing objects of the Company shall be separate and distinct objects of the Company, and none of the said objects shall be deemed to be subsidiary to or limited in any way by any other object or objects.

4. The liability of the members is limited.

5. The Company's share capital is £100 divided into 50 "A" ordinary shares of £1.00 each and 50 "B" ordinary shares of £1.00 each.

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
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BRIAN JOHN PAYNE
1 HIGH STREET MEWS
WIMBLEDON VILLAGE
LONDON SW19 7RG

ONE

MAUREEN ANNE CHILDS
1 HIGH STREET MEWS
WIMBLEDON VILLAGE
LONDON SW19 7RG

ONE

TOTAL SHARES TAKEN	TWO
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Dated: 23 APRIL 2001

Witness to the above signatures:

CHRISTOPHER NEIL CHILDS
105 HIGHER DRIVE
BANSTEAD
SURREY SM7 1PS

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

Adopted by Special Resolution passed on 5 December 2001

of

TS4I (PROCESS UTILITIES 1) LIMITED

TABLE A

1. Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Companies Act 1985, as in force at the date of incorporation of the Company (in these Articles referred to as **Table A**), shall apply to the Company.
2. The following provisions of Table A shall not apply to the Company:
 - (i) regulation 23;
 - (ii) regulation 24;
 - (iii) regulations 40 to 41 inclusive;
 - (iv) regulation 50;
 - (v) regulation 54;
 - (vi) regulations 60 to 61 inclusive;
 - (vii) regulation 64;
 - (viii) regulations 73 to 80 inclusive and all references elsewhere in Table A to retirement by rotation shall not apply accordingly;
 - (ix) regulations 88 to 91 inclusive;
 - (x) regulations 94 to 99 inclusive;
 - (xi) regulation 111 and 112;
 - (xii) regulation 115; and
 - (xiii) regulation 118.

INTERPRETATION

3. In these Articles, where the context so admits:

A Director means any person appointed as a director in accordance with the provisions of Article 9(1);

A Group means the A Shareholder and its Associates for the time being;

the A Shareholder(s) means the registered holder(s) for the time being of the A Shares;

A Shares means the issued A ordinary share of £1 in the capital of the Company;

Associate means in relation to any Shareholder, any holding company of which the Shareholder is a wholly owned subsidiary, any wholly owned subsidiary of such Shareholder, or any other wholly owned subsidiary of such Shareholder's holding company;

B Director means any person appointed as a director in accordance with the provisions of Article 9(2);

B Group means the B Shareholder and its Associates for the time being;

the B Shareholder(s) means the registered holder(s) for the time being of the B Shares;

B Shares means the issued B ordinary shares of £1 in the capital of the Company;

Business Day means a day (other than a Saturday) on which banks generally are open in London for a full range of business;

Company means TS4I (Process Utilities 1) Limited (Company Number 4252744);

Executive means one or more persons each of which shall be referred to as an **Executive Director**, jointly appointed by the Shareholders from time to time to manage the Company on a daily basis;

holding company and **subsidiary** shall be construed in accordance with section 736 of the Companies Act 1985;

Parties means the parties to the Shareholders Agreement from time to time, and Party shall be construed accordingly;

Reserved Matters has the meaning given to it in Article 16.7;

Reserved Shareholder Matter has the meaning given to it in Article 16.8;

Shareholder(s) means the A Shareholder(s) and the B Shareholder(s);

Shareholders Agreement means the Shareholders Agreement dated 10 August 2001 between WS Atkins Investments Limited (1) and Royal Bank Leasing Limited (2).

In these Articles

- (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them;
- (b) the word **board** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated;
- (c) no power of delegation shall be limited by the existence or except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
- (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

SHARE CAPITAL

- 4. The authorised share capital of the Company at the date of the adoption of the Articles is 100 divided into 50 "A" Ordinary shares of £1 each and 50 "B" Ordinary Shares of £1 each. Such shares shall entitle the holders to the respective rights and privileges, and subject them to the respective restrictions and provisions, contained in these Articles but save as otherwise provided in these Articles the A Shares, the B Shares and the ordinary shares shall rank *pari passu* in all respects.

ALLOTMENT OF SHARES

- 5.1 In place of all authorities in existence at the date of adoption of these articles, the directors are hereby generally and unconditionally authorised pursuant to section 80 of the Act to allot relevant securities, subject to the provisions of article 16.7 and 16.8 (within the meaning of section 80) up to an aggregate nominal amount equal to the authorised share capital of the company at the date of incorporation of the company for a period expiring (unless previously renewed, varied or revoked by the company in general meeting) five years after the date of incorporation of the company.
- 5.2 The pre-emption provisions in section 89(1) of the Act and the provisions of sub-sections 90(1) to 90(6) inclusive of the Act shall not apply to any allotment of the company's equity securities.

- 5.3 Before the expiry of the authority granted by article 5 the Company may make an offer or agreement which would or might require relevant securities to be allotted after that expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if that authority had not expired.
- 5.4 Subject to the provisions of articles 5.1, 5.2 and 5.3, regulation 3 of Table A, the provisions of the Act and to any resolution of the company in general meeting passed pursuant to those provisions:
- (a) all unissued shares for the time being in the capital of the company (whether forming part of the original or any increased share capital) shall be at the disposal of the directors; and
 - (b) the directors may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as they think fit.
- 5.5 All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the directors propose to issue shall first be offered to the members in that proportion which the Company in general meeting shall direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. Any shares not accepted pursuant to such offer as aforesaid or not capable of being offered as aforesaid except by way of fractions shall not be issued. Any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this Article 5.5 shall have effect subject to section 80 of the Act.

TRANSFER OF SHARES

- 6.1 All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment thereof for the time being in force) or in any other form which the directors may approve.

- 6.2 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 fully paid or a share on which the Company has a lien, unless such transfer occurs in accordance with the Shareholders Agreement.
- 6.3 Except as permitted by this Article 6 no Shareholder shall:
- (a) sell, transfer or dispose of any shares except to an Associate or pursuant to the provisions of clause 11 (Transfer of Shares), or clause 12 (Pre-emption) or clause 13 (Default Events) of the Shareholders Agreement. A Shareholder may only sell, transfer or dispose of all (and not part only) of its shares;
 - (b) during the continuance of the Shareholders Agreement create or permit to exist any mortgage, charge, pledge or encumbrance over the whole or part of any shares; or
 - (c) assign or otherwise purport to deal with the beneficial interest or any right relating thereto separate from the legal interest of the share.
- 6.4 Completion of any sale or transfer of any shares (or any interest therein) and of any issue of unissued shares to any person shall be subject to the condition that such person shall first have entered into a Deed of Adherence and the Directors may refuse to register any transfer if the provisions of this Article 6 are not fulfilled.
- 6.5 Pursuant to Article 6.3(a) if a Shareholder transfers shares to an Associate, the Shareholder shall procure that the Associate shall perform and be bound by the obligations of that Shareholder hereunder so far as they remain to be performed or observed as if it had, originally been a party to the Shareholders Agreement.
- 6.6 If a Shareholder ceases to be a United Kingdom resident for the purposes of United Kingdom taxes, that Shareholder shall transfer its shareholding to an Associate which is a UK resident company of similar financial and public standing or another United Kingdom company acceptable to the remaining Shareholders.

NOTICE OF GENERAL MEETINGS

7. The notice of the general meeting shall set out an agenda identifying in reasonable detail the matters to be discussed (unless the Shareholders agree otherwise).

PROCEEDINGS AT GENERAL MEETINGS

- 8.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The quorum at a general meeting shall consist of one (1) A Shareholder and one (1) B Shareholder each of whom is present in person or by proxy or, in the case of a corporation, by a duly authorised representative.
- 8.2 If a quorum is not present within thirty (30) minutes from the time appointed for a general meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time as the directors may determine.

VOTES OF MEMBERS

- 9.1 Subject to any rights or restrictions attached to any shares, each member who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative shall have one vote for every share of which he is the holder.
- 9.2 The chairman shall not have a casting vote in the event of equality.
- 9.3 No shares 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.
- 9.4 A decision to approve any of the Reserved Shareholder Matters shall require unanimous vote of all Shareholders.

VOTES BY PROXY

Appointment of proxy

- 10.1 An instrument appointing a proxy shall be in writing under the hand of the appointing member or his attorney or, if the appointing member is a corporation, either under its common seal or the hand of a duly authorised officer, attorney or other person authorised to sign it.

Form of proxy

- 10.2 Instruments of proxy shall be in any usual form or in any other form which the directors may approve.

Delivery of proxy

10.3 Regulation 62 of Table A is amended:

- (a) in each of paragraphs (a), by the deletion of the words "deposited at" and the substitution for them of the words "left at or sent by post or facsimile transmission to";
- (b) in paragraph (a), by the deletion of the words "not less than 48 hours";
- (c) in paragraph (b), by the deletion of the words "deposited as aforesaid" and the substitution for them of the words "left at or sent by post or facsimile transmission to the office or to or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting"; and
- (d) in paragraph (b), by the deletion of the words "not less than 24 hours".

Validity of form of proxy

10.4 An instrument appointing a proxy shall be deemed to include the right to demand, or join in demanding, a poll. The instrument of proxy shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting to which it relates or any adjournment of that meeting.

NUMBER OF DIRECTORS

11. The number of Directors shall be subject to a maximum of 6 and shall, subject to any additional appointment as referred to below, at all times be an even number and not less than 2.

APPOINTMENT AND REMOVAL OF DIRECTORS

12.1 The A Shareholder and the B Shareholder shall each be entitled to appoint one-half of the number of Directors. Such rights of appointment may be exercised at any time and from time to time by written notice signed by or on behalf of the A Shareholder or the B Shareholder (as the case may be) and served on the Company and the A Shareholder and the B Shareholder.

12.2 The A Shareholder and the B Shareholder may by like notice remove a person so appointed by it.

- 12.3 Each Director so appointed by the A Shareholder shall be known as an A Director and each Director so appointed by the B Shareholder shall be known as a B Director.
- 12.4 A director appointed under this Article may provide to the member which appointed him any information which he receives by virtue of his being a director.

BORROWING POWERS

13. Subject to Article 16 the directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and 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.

ALTERNATE DIRECTORS

- 14.1 At the end of regulation 66 of Table A, as applicable to the Company, there shall be added the following sentence:

"A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present."

- 14.2 At the end of regulation 67 of Table A, as applicable to the Company, there shall be added the following sentence:

"The appointment of an alternate director shall also terminate automatically on the happening of any event which if he were a director would cause him to vacate his office as director."

- 14.3 The words "or in any other manner approved by the directors" in regulation 68 of Table A (as applicable to the Company) shall be deleted and the following shall be added to that regulation.

"and shall take effect in accordance with the terms of the notice, subject to any approval required by regulation 65 of Table A (as applicable to the Company), on receipt of such notice at the registered office of the Company."

INTERESTS OF DIRECTORS

15. Without prejudice to his obligations of disclosure under the Act and the articles, a director may vote at any meeting of the directors or a committee of the directors on any resolution concerning a transaction or arrangement with the Company or in which the Company is interested, or concerning any other matter in which the Company is interested, notwithstanding that he is interested in that transaction, arrangement or matter or has in relation to it a duty which conflicts or may conflict with the interests of the Company.

PROCEEDINGS OF DIRECTORS

- 16.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. Meetings of the board shall, unless agreed by the board, be convened and held in London, Cheltenham or Epsom at least quarterly, at times and at places agreed by the directors. At least 14 days' notice of every meeting of the directors shall be given to all directors (unless the directors unanimously agree to shorter notice). Every such notice shall be accompanied by a written agenda specifying the business of the meeting and all relevant papers.
- 16.2 A director shall be entitled to appoint an alternate who may attend the meeting. A director may vote or express his views in respect of any matter to be discussed in writing without attending the meeting.
- 16.3 Save as otherwise agreed in writing between the Shareholders (including in the Shareholders' Agreement), the quorum for the transaction of the business of the directors shall be at least one (1) A Director and one (1) B Director present when the relevant business is transacted. A Director shall be regarded as present for the purposes of a quorum if represented by an Alternate.
- 16.4 The first chairman of the board shall be a director appointed by the B Shareholder who shall remain as chairman for a period of one (1) year or such longer period as the Shareholders may agree (**Chairman's Term**). Thereafter the chairman shall be a director appointed by the A Shareholder and the B Shareholder in that order, such nominee to be chairman until the conclusion of the subsequent Chairman's Term. A director shall have the right to decline his appointment as chairman of the board in which case the chairman shall be appointed by the holders of the next class of shares in order set out in this Article 16.4. The chairman shall not have a second or casting vote.

- 16.5 Without prejudice to the first sentence of regulation 88 of Table A, if the directors agree to such a meeting of the directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles and in Table A shall be construed accordingly.
- 16.6 Save as otherwise agreed between the Shareholders (including in the Shareholders' Agreement), all resolutions, actions and decisions of the board shall be taken by unanimous decision of the directors present at the meeting where such resolution, action or decision is taken, save in respect of the Reserved Matters which shall be taken by unanimous decision without the participation of the Executive Directors. If any A Director or B Director so requests in respect of a Reserved Matter it shall be deemed to be a Reserved Shareholder Matter.
- 16.7 The Reserved Matters shall be as specified in paragraph (a) to (f) of this Article 16.7.

Operating plan

- (a) overseeing the implementation of the operating plan and monitoring the performance of the Executive;

Borrowings and finance

- (b) borrowing or raising money including entering into any finance lease, (but excluding normal trade credit) the Company's aggregate financing exceeding £50,000 (or such other amount as the parties may agree from time to time);

Capital expenditure

- (c) incurring any capital expenditure in respect of any item or project in excess of £50,000 or such other sum as the parties may agree from time to time;

Charges

- (d) creating any mortgage, charge, encumbrance or other security interest of any nature in respect of all or any material part of the Company's undertaking, property or assets;

Secondment policies

- (e) adopting (or varying) material policies in respect of the compensation of a secondee's employer for the secondment of such person, and the form of the secondment agreement; or

Intellectual property

- (f) making any material acquisition or disposal (including any material acquisition or grant of any licence) of or relating to any intellectual property rights).

16.8 Notwithstanding any other provision of these Articles no action relating to any of the Reserved Shareholder Matters specified in paragraphs (a) to (t) of this Article 16.8 shall be taken (whether by the board, the Company or the Executive Director) without prior written approval of each of the Shareholders (or by their authorised representative for this purpose) or by the representatives of the Shareholders at a general meeting.

Change in nature of Business

- (a) materially changing the nature or scope of the business of the Company;

Dividends

- (b) declaring or paying any dividend or distribution;

Acquisitions and disposals

- (c) acquiring or disposing of (whether in a single transaction or series of transactions) any business (or any material part of any business) or of any shares in any company or formation of a subsidiary;

Partnerships and joint ventures

- (d) entering into (or terminating) any material partnership, joint venture, profit-sharing agreement, technology licence or collaboration;

Material contracts

- (e) entering into any contract, liability or commitment which:
 - (i) is of a long term or unusual nature; for this purpose by long term means continuing for more than two (2) calendar years;
 - (ii) could involve an obligation of a material magnitude or nature; for this purpose material means a liability for expenditure in excess of £50,000;
 - (iii) is outside the ordinary course of business of the Company; or
 - (iv) is not in accordance with the limits set out in the budget for that year;

unless a contract satisfies such authorisation criteria as the parties may approve from time to time as part of the procedures for the Company entering into contracts;

Material litigation

- (f) major decisions relating to the conduct (including the settlement) of material legal proceedings to which the Company is a party;;

Transactions with A or B Groups

- (g) any transactions with any member of the A Group or any member of the B Group which is either:
 - (i) outside the ordinary course of business; or
 - (ii) within the ordinary course of business but has a value of more than £50,000 or is not on commercial arm's length terms;

Memorandum and Articles

- (h) adopting or altering the Memorandum and Articles or other constitutional documents;

Changes in share capital

- (i) changing the authorised or issued share capital;

Operating Plan and Budgets

- (j) adopting the Operating Plan or Budget;

Executive Directors

- (k) appointing or removing the Executive Directors;

Auditors

- (l) appointing or removing auditors;

Accounts and accounting policies

- (m) approving statutory accounts;

Further financing

- (n) approving any request for further financing to be provided by the Shareholders;

Winding-up or administration

- (o) any proposal to wind up the Company for the Company to be subject to an administration order, or to enter into arrangements with its creditors;

Options

(p) granting any options or other rights over the shares;

Share transfer

(q) the transfer of any shares otherwise than in accordance with the Shareholders Agreement;

Reserves

(r) capitalisation, repayment or distribution of reserves;

Guarantees or indemnities

(s) giving any guarantees or indemnities; or

Book debts

(t) factoring or assignment of book debts.

DELEGATION OF DIRECTORS POWERS

17. The directors may delegate to the Executive such of their powers as the directors consider desirable to be exercised by it. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub delegate all or any of the powers delegated to one or more directors or to any employee or agent of the Company. Any such delegation may be made subject to such conditions as the directors may specify, and may be revoked or altered.

SECRETARY

18. Subject to the provisions of the Companies Act 1985, the secretary shall be appointed by the Shareholders, for such term, at such remuneration and upon such conditions as the directors think fit, and any secretary so appointed may be removed by the Shareholders.

DEEDS

19.1 Where the Act so permits, any instrument signed with the authority of a resolution of the directors or a committee of the directors by one (1) director and the secretary or by two (2) directors and expressed to be executed by the Company as a deed shall have the same effect as if executed under the seal, provided that no instrument which makes it clear on its face that it is intended by the persons making it to have effect as a deed shall be signed without the authority of the directors.

19.2 A document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of its having been executed by the Company.

GRATUITIES, PENSIONS AND INSURANCE

- 20.1 The Shareholders or directors have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors or officers of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund. If the insurance is effected directly by the Shareholders, the Company shall be listed as joint insured where relevant.
- 20.2 Without prejudice to the generality of regulation 85 of Table A (as applicable to the Company), no director or former director shall be accountable to the Company or the members for any benefit provided pursuant to regulation 87 of Table A or this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.
- 20.3 Pursuant to section 719 of the Act, the directors are hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be made by a resolution of the directors in accordance with the said section.

THE SEAL

- 21.1 If the Company has a seal it shall only be used with the authority of the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 in Table A shall not apply to the Company.
- 21.2 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.

NOTICES

Method of giving notice

22.1 Any notice to be given to or by any person pursuant to the articles, except a notice calling a meeting of the directors or a committee of the directors, shall be in writing which includes, without limitation, telex, facsimile and electronic mail and any other visible substitute for writing. A notice may be partly in one form and partly in another.

22.2 The company may give any notice to a member:

- (a) personally; or
- (b) by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address; or
- (c) by sending it by telex, facsimile or electronic mail to a number supplied to the company by the member for that purpose.

In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

When notice by post deemed served

22.3 This article applies to any notice to be given to or by any person pursuant to the articles. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice sent by post shall be deemed given:

- (a) if sent by first class post from an address in the United Kingdom to another address in the United Kingdom, on the day following that on which the envelope containing it was posted;
- (b) if sent by the equivalent of first class post from an address in another country to another address in that country, on the day following that on which the envelope containing it was posted;
- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or to an address in the United Kingdom from an address outside the United Kingdom, on the third day following that on which the envelope containing it was posted; and
- (c) in any other case, on the fifth day following that on which the envelope containing it was posted.

When other notices deemed given

22.4 This article applies to any notice to be given to or by any person pursuant to the articles. A notice sent by telex, facsimile or electronic mail transmission shall be deemed given twelve hours after the time of despatch or at such earlier time as receipt is acknowledged. A notice left at an address shall be deemed given when delivered.

INDEMNITY

23.1 Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.

23.2 The directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.

NAMES AND ADDRESSES OF SUBSCRIBERS

BRIAN JOHN PAYNE
1 HIGH STREET MEWS
WIMBLEDON VILLAGE
LONDON SW19 7RG

MAUREEN ANNE CHILDS
1 HIGH STREET MEWS
WIMBLEDON VILLAGE
LONDON SW19 7RG

Dated: 23 APRIL 2001

Witness to the above signatures:

CHRISTOPHER NEIL CHILDS
105 HIGHER DRIVE
BANSTEAD
SURREY SM7 1PS