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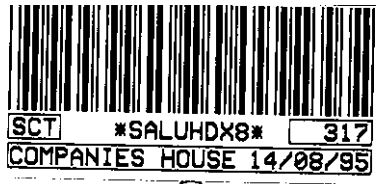

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION
of

SEMPLE & COCHRANE LIMITED

(adopted by special resolution on 27 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 'Relevant Directors' means the directors and former directors of the Company and its subsidiaries where such directors or former directors are interested in shares in the Company and their connected persons (as defined by section 839 Income and Corporation Taxes Act 1988) but excluding any Special Director (as hereinafter defined).

1.4 The word 'emoluments' shall include all salary and all items set out in paragraph 1(4) of Schedule 6 of the Act.

1.5 Where any amount is stated to be Index Linked it shall be adjusted annually on 31 December each year commencing on 31 December 1995 by a percentage equal to the percentage increase in the retail price index published by the Government to 30 November in the year in question from 30 November in the previous year.

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 £847,500 divided into 1,449 'A' ordinary shares of £1 each and 3,550 ordinary shares of £1 each, 150,000 preference shares of £1 each, 1 Deferred share of £1 and 692,500 'A' Preference 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 preference shares a fixed non-cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Preference Dividend') in respect of each financial year of the Company of 8 pence on each share provided always that the

distributable retained profit after taxation and before dividends on other classes of share capital (as certified by the Auditors of the Company from time to time whose decision shall be final and binding) of the Company for that financial year are not less than £200,000. The Preference Dividend (f any shall be paid not later than 4 months after the end of each successive accounting reference period of the Company.

3.1.2 Second 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 the Relevant Number of pence as is shown for the Relevant Financial year in the table below on each share per annum accruing from 1 July 1995 and payable half yearly on 30 June and 31 December, the first such payment to be made on 31 December 1995.

Relevant Financial Year ended	Relevant Number of pence per share
30 June 1996	55.17 pence
30 June 1997	60.68 pence
30 June 1998 and for each financial year thereafter	66.20 pence

3.1.3 Third in paying to the holders of the 'A' ordinary shares as a class in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Participating Dividend') of a sum equal to 2.5% 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:-

3.1.3.1 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;

3.1.3.2 disregarding extraordinary items;

3.1.3.3 adding back any amount in excess of £425,000 Index Linked in the aggregate charged in respect of emoluments payable to Relevant Directors.

3.1.4 Fourth 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 equal to the Excess Remuneration (as hereinafter defined) divided by the number of ordinary shares held by Relevant Directors 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 £425,000 Index Linked in the aggregate 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.

3.1.5 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:-

3.1.5.1 the Preference Dividend (if appropriate) and the Fixed Dividend and the Participating Dividend (if any) have been paid in full in respect of that financial year and in the case of the Fixed Dividend and the Participating Dividend in respect of all previous financial years of the Company;

3.1.5.2 any Compensatory Dividend due has been paid in full;

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

3.1.5.3 First in paying to the holders of the ordinary shares as a class a dividend ('the Initial Ordinary Dividend') of an amount up to but not exceeding 6.1% of Net profit and the term Net profit shall be calculated by reference to the definition of the same in article 3.1.3 above;

3.1.5.4 Second 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).

3.1.6 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.

3.1.7 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act the Preference Dividend and the Fixed Dividend and 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.

3.1.8 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time and to the extent that it may lawfully do so 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 Preference

Dividend and the Fixed Dividend and 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 preference shares £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to the date of the return of capital;

3.2.2 second in paying to the holders of the 'A' ordinary shares and ordinary shares a sum equal to any arrears or accruals of dividends payable to the holders of the 'A' ordinary shares and the holders of the ordinary shares calculated down to the date of the return of capital; and

3.2.3 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 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 75% 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 75% of the 'A' ordinary shares.

3.4 Redemption of Preference Shares

3.4.1 Subject to the provisions of the Act the preference shares shall be redeemed in one or more tranches on demand by the holders of 75% of the preference shares and any share not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

3.4.2 On the dates fixed for redemption the Company shall pay to each registered holder of the preference shares £1 per share being redeemed 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. If there is more than one holder of preference shares any redemption of preference shares shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

3.5 Redemption of 'A' Preference Shares

3.5.1 Subject to the provisions of the Act the 'A' Preference shares shall be redeemed in one tranche of 692,500 shares on demand by the holders of 75% of the 'A' Preference Shares and any share not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

3.5.2 On the date fixed for redemption the Company shall pay to the holders of the 'A' Preference shares as a class a total consideration of £1,200,000 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.

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 75% of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the 'A' ordinary shares shall be deemed to be varied:-

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 except where the winding up follows upon advice by competent professional advisers that the Company is insolvent and should be wound up; 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 shares.

Further Issue of Shares

5.1 Notwithstanding any other provisions of these articles the directors shall be bound to offer to any member of the 3i Group (as hereinafter defined) for the time being holding shares in the capital of the Company such a proportion of any shares forming part of the equity share capital of the Company which the directors determine to issue as the aggregate nominal value of shares in the equity share capital of the Company for the time being held by such member of the 3i Group bears to the total issued equity share capital of the Company immediately before the issue of the shares. Any shares issued to a member of the 3i Group pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such shares shall at the request of 3i be registered in the name or names of any one or more members of the 3i Group.

5.2 For the purposes of these articles the expressions '3i' shall mean 3i Group plc and 'a member of the 3i Group' shall mean 3i Group plc, any subsidiary of 3i Group plc, and any company of which 3i Group plc is a subsidiary.

Lien

6. 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

7. 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

8. 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.

9. 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. 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.

10.1 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 the price which a chartered accountant (acting as an expert and not as an arbiter) 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 of Scotland 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. 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 (a 'Total Transfer Condition') and any such provision shall be binding on the Company.

10.2 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 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.

10.3 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) holding shares in the same class as the Sale Shares 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. Offers shall continue to be made on the same terms while any member continues to state in writing his willingness to purchase all the shares offered to him.

10.4 In the event that there shall be any of the Sale Shares offered to members under article 10.3 and who have not stated their willingness to purchase the same, the Company shall inform each member of the Company holding Equity Shares (other than the Vendor and members holding shares in the same class as the Sale Shares) of the number of the Sale Shares not allocated as aforesaid and the Sale Price of such Sale Shares. The Company shall invite each such member as aforesaid to state in writing within 21 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 21 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 21 days. Offers shall continue to be made on the same terms while any member continues to state in writing his willingness to purchase all the shares offered to him.

10.5 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.

10.6 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 provided that if the Sale Shares were subject to a Total Transfer Condition such sale must be of all the Sale Shares and not part only.

10.7 If a member being a company ceases to be within the control (as such term is defined by Section 840 of the Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name; provided that this sub-article shall have no application to 3i or to any member of the 3i Group.

10.8 The foregoing provisions of this article shall not apply to a transfer if the holders of 75% of the ordinary shares and the holders of 75% of the 'A' ordinary shares so direct in writing and the directors shall be obliged to register any such transfer.

11. Notwithstanding any other provisions of these articles a transfer of any shares in the Company held by any member of the 3i Group may be made between the member in the 3i Group holding such shares and any other member in the 3i Group without restriction as to price or otherwise and any such transfer shall be registered by the directors provided always that if any such transferee ceases to be a member of the 3i Group it shall forthwith transfer the relevant shares to a member of the 3i Group.

Limitation on transfer of control

12.1 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 75% 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:-

12.1.1 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); or

12.1.2 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.

12.2 For the purpose of this article:-

12.2.1 the expression 'a Controlling Interest' shall mean an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;

12.2.2 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;

12.2.3 the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment; and

12.2.4 the expression 'the Specified Price' shall mean at the option of the holders of 75% of the 'A' ordinary shares either:-

12.2.4.1 a price per share of £1,103.44 or

12.2.4.2 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 arbiter) 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 Scotland) whose decision shall be final and binding.

12.3 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

13.1 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.

13.2 The holders of the preference shares 'A' Preference Shares and the Deferred Share shall not be entitled to receive notice of or attend or vote at any general meetings of the Company by virtue of holding such shares.

Appointment of Directors

14. 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 and 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

15. 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.

16.1 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:-

16.1.1 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;

16.1.2 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;

16.1.3 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;

16.1.4 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

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

16.2 For the purposes of this article:-

16.2.1 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;

16.2.2 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

16.2.3 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

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

17.1 of borrowing or securing the payment of money;

17.2 of guaranteeing the payment of money and the fulfillment of obligations and the performance of contracts; and

17.3 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:-

17.4 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 75% of the 'A' ordinary shares exceed a sum which is the greater of £5,000,000 or twice the aggregate of 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 amount attributable to goodwill and minority interest and any amounts set aside for future taxation) all as shown by the then latest audited consolidated balance sheet of the Company;

17.5 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;

17.6 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;

17.7 except with the previous sanction of the holders of 75% of the 'A' ordinary 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 the 3i Group with interest thereon and from bankers with interest thereon and bank charges.

Special Director

18.1 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 the 'Special Director') approved by the directors (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. The remuneration and reasonable expenses to be paid to the Special Director shall be payable by the Company and shall be such sum (which shall not exceed £12,000 plus VAT index linked) as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by 3i. Upon request by 3i the Company shall also procure that the Special Director be appointed a director to any subsidiary of the Company. In these circumstances the aggregate fees for all such directorships (including that of the Company) shall not exceed £12,000 plus VAT per annum Index-Linked.

18.2 In the event that a Director appointed pursuant to this Article shall be requested by the Company to undertake specific projects, such projects will be undertaken by such Director on a fee basis agreed in advance by the Directors of the Company.

Indemnity

19. 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.