

**COUPE FOUNDRY LIMITED**

(Registered in England - No 2610871)

**WRITTEN RESOLUTION**(Passed *11<sup>th</sup> March* 1998)

Pursuant to the authority granted by Section 381A Companies Act 1985 the following Written Resolution is hereby passed as a Special Resolution.

**SPECIAL RESOLUTION****THAT:-**

- (a) the authorised share capital of the Company be increased from £150,000 to £210,000 by the creation of 60,000 Redeemable Preference Shares of £1 each such shares to carry the rights set out in the Articles of Association to be adopted by clause (b) of this resolution; and
- (b) the Articles of Association a copy of which is attached hereto and initialled by each member of the Company for the purposes of identification only be and hereby are adopted as the Articles of Association of the Company to the exclusion of and in substitution for the existing Articles of Association; and
- (c) 70,000 of the authorised but unissued ordinary shares of £1 each in the Company be and are hereby redesignated as "D" Shares each having the rights attached to them as set out in the Articles of Association of the Company adopted in clause (b) of this Resolution;
- (d) 8,873 Ordinary Shares of £1 each in the Company registered in the name of Mrs Margaret Hall and 8,873 Ordinary Shares of £1 each in the Company registered in the name of Mrs Wendy Harrison be and hereby are redesignated as "C" Shares of £1 each having the rights attached to them as set out in the Articles of Association of the Company adopted in clause (b) of this Resolution; and
- (e) 31,127 Ordinary Shares of £1 each in the Company registered in the name of Norman Harrison be and hereby are redesignated as "B" Shares of £1 each having the rights attached to them as set out in the Articles of Association of the Company adopted in clause (b) of this Resolution; and
- (f) 31,127 Ordinary Shares of £1 each in the Company registered in the name of Stephen Hall be and hereby are redesignated as "A" Shares of £1 each having the rights attached to them as set out in the Articles of Association of the Company adopted in clause (b) of this Resolution; and
- (g) the Directors of the Company be and they are hereby authorised generally and unconditionally to exercise all powers of the Company pursuant to Section 80 of the Companies Act 1985 ("the Act") to allot relevant securities (as defined by Sub-section (2) of that Section) up to an aggregate nominal value equal to the nominal amount of the authorised but unissued share capital of the Company immediately following the passing of this Resolution, **PROVIDED THAT** this authority, unless renewed, shall expire on the day before the fifth anniversary of the passing of this Resolution save, that the Company may before such authority expires make any

offer, agreement or arrangement which would or might require relevant securities to be allotted after such authority expires and the Directors may allot the relevant securities, in pursuance of any such offer, agreement or other arrangement as if the authority conferred hereby had not expired.

(h) THAT in accordance with Section 95 of the Company Act 1985 ("the Act"), Section 89(1) of the Act shall not apply to the allotment of equity securities pursuant to the authority given for the purposes of Section 80 of the Act in (g) above and the Directors may allot, grant options over or otherwise dispose of such shares as set out in Resolution (g) above.

Signed by all members of the Company who at the date of the Written Resolution (being the date when the Resolutions are signed by or on behalf of the last member to sign) would be entitled to attend and vote at a general meeting of the Company had the Written Resolution been put to such a meeting:

Signature: [Handwritten Signature]

Name: Stephen Hall

Date of signature: 11<sup>th</sup> March 1998

Signature: [Handwritten Signature]

Name: Norman Harrison

Date of signature: 11<sup>th</sup> March 1998

Signature: W. A. Hall

Name: Wendy A Hall

Date of signature: 11<sup>th</sup> March 1998

Signature: M. E. Harrison

Name: Margaret E Harrison

Date of signature: 11<sup>th</sup> March 1998

We being the auditors of the above Company confirm that we received a copy of the written resolution set out overleaf on 1998:

.....  
for and on behalf of  
KPMG

Dated: 1998

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**COUPE FOUNDRY LIMITED**  
 (Registered in England - No. 2610871)

WRITTEN RESOLUTION  
 (Passed *11<sup>th</sup> March* 1998)

Pursuant to the authority granted by S381A Companies Act 1985 the following Written Resolution is hereby passed as an Ordinary Resolutions.

ORDINARY RESOLUTIONS

1. THAT upon the recommendation of the Directors it is desirable that at the election by way of notice in writing to the Company of the holders of the "A" Shares on or before *18<sup>th</sup> March* 1998 (and if no such election is received the Shareholders concerned shall be deemed to have elected for cash) either to:-
  - (i) distribute to such "A" Shareholders on the register at the close of business on *11<sup>th</sup> March* 1998 the sum of £0.91 per "A" Share in cash or;
  - (ii) to the extent so elected to capitalise the sum of £0.91 per "A" Share; and accordingly that the Directors be authorised and directed, to the extent so elected, to appropriate the sum so elected to the holders of the "A" Shares who have so elected and to the extent so elected and to apply such sum on behalf of such holders in paying up in full such of the authorised but unissued Redeemable Preference Shares (up to a maximum of 28,387 Redeemable Preference Shares) of £1 each in the capital of the Company as such sum shall pay up in full, such shares to be allotted and distributed, credited as fully paid up, amongst the holders of the "A" Shares to the extent so elected in the proportion of 912 Redeemable Preference Shares for every 1,000 "A" Shares held by such holder and registered in the register at the close of business on *11<sup>th</sup> March* 1998 and that such allotted Redeemable Preference Shares shall rank for all purposes

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pari passu with the other issued Redeemable Preference Shares of the Company but so that no such holder shall be entitled to a fraction of a Redeemable Preference Share.

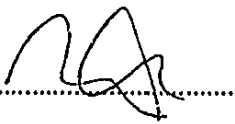
2. THAT upon the recommendation of the Directors it is desirable that at the election by way of notice in writing to the Company of the holders of the "B" Shares on or before *18<sup>th</sup> March* 1998 (and if no such election is received the Shareholders concerned shall be deemed to have elected for cash) either to:-

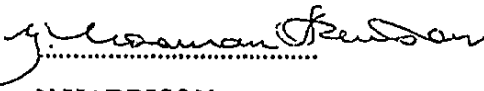
- (i) distribute to such "B" Shareholders on the register at the close of business on *11<sup>th</sup> March* 1998 the sum of £0.91 per "B" Share in cash or;
- (ii) to the extent so elected to capitalise the sum of £0.91 per "B" Share; and accordingly that the Directors be authorised and directed, to the extent so elected, to appropriate the sum so elected to the holders of the "B" Shares who have so elected and to the extent so elected and to apply such sum on behalf of such holders in paying up in full such of the unissued Redeemable Preference Shares (up to a maximum of 28,387 Redeemable Preference Shares) of £1 each in the capital of the Company as such sum shall pay up in full, such shares to be allotted and distributed, credited as fully paid up, amongst the holders of the "B" Shares to the extent so elected in the proportion of 912 Redeemable Preference Shares for every 1,000 "B" Shares held by such holder and registered in the register at the close of business on *11<sup>th</sup> March* 1998 and that such allotted Redeemable Preference Shares shall rank for all purposes pari passu with the other issued Redeemable Preference Shares of the Company but so that no such holder shall be entitled to a fraction of a Redeemable Preference Share.

3. THAT upon the recommendation of the Directors it is desirable that at the election by way of notice in writing to the Company of the holders of the "A" Shares on or before *18<sup>th</sup> March* 1998 (and if no such election is received the Shareholders concerned shall be deemed to have elected for cash) either to:-

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- (i) distribute to such "A" Shareholders on the register at the close of business on 11<sup>th</sup> March 1998 the sum of £1.71 per "A" Share in cash or;
- (ii) to the extent so elected to capitalise the sum of £1.71 per "A" Share; and accordingly that the Directors be authorised and directed, to the extent so elected, to appropriate the sum so elected to the holders of the "A" Shares who have so elected and to the extent so elected and to apply such sum on behalf of such holders in paying up in full such of the authorised but unissued "D" Shares (up to a maximum of 53,351 "D" Shares) of £1 each in the capital of the Company as such sum shall pay up in full, such shares to be allotted and distributed, credited as fully paid up, amongst the holders of the "A" Shares to the extent so elected in the proportion of 1,714 "D" Shares for every 1,000 "A" Shares held by such holder and registered in the register at the close of business on 11<sup>th</sup> March 1998 and that such allotted "D" Shares shall rank for all purposes pari passu with the other issued "D" Shares of the Company but so that no such holder shall be entitled to a fraction of a "D" Share.

Signature:   
 Name: **S R HALL**  
 Date of signature 11<sup>th</sup> March 1998

Signature:   
 Name: **N HARRISON**  
 Date of signature 11<sup>th</sup> March 1998

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Signature: ..... *W.A. Hall* .....  
Name: MRS W A HALL  
Date of signature ..... *11th March* ..... 1998

Signature: ..... *M.E. Harrison* .....  
Name: MRS M E HARRISON  
Date of signature ..... *11th March* ..... 1998

*NA*

Company No: 2610871

COMPANIES ACT 1985  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION

- of -

COUPE FOUNDRY LIMITED

(Adopted on *11<sup>th</sup>* March 1998)

PRELIMINARY

1. (A) The headings shall not affect the construction hereof and, in the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith, the following words and expressions shall bear the following meanings:-

"the Act"	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
"Associated Company"	as defined in Section 416 of the Income and Corporation Taxes Act 1988;
"A Shareholders"	the holders for the time being of the A Shares;
"A Shares"	the A Ordinary Shares of £1 each in the capital of the Company;
"B Shareholders"	the holders for the time being of the B Shares;
"B Shares"	the B Ordinary Shares of £1 each in the Company;
"Board"	the board of directors of the Company from time to time;
"C Shareholders"	the holders for the time being of the C Shares;



"C Shares"	the C Ordinary Shares of £1 each in the Company;
"Dividend Date"	31 <sup>st</sup> March in each year following the date of adoption of these Articles;
"D Shareholders"	the holders for the time being of the "D" Shares;
"D Shares"	the D Ordinary Shares of £1 each in the Company;
"Listing"	the date of effective admission of any part of the share capital of the Company to the Official List of the London Stock Exchange Limited or the grant of permission to deal in the same on the Alternative Investment Market of the London Stock Exchange Limited;
"Member"	any holder for the time being of Shares;
"Preference Dividend"	means the cumulative preferential dividends payable to the Preference Shareholders pursuant to Article 3(A)(i) which shall be and which shall not in any year exceed £198,709 (inclusive of any associated tax credit) being 10% of the aggregate Redemption Value of the Preference Shares;
"Preference Shareholders"	the holders for the time being of the Preference Shares;
"Preference Shares"	the cumulative redeemable preference shares of £1 each in the Company;
"Redemption Value"	in respect of the Preference Shares means £35 for each Preference Share;
"Sale"	the entering into of an agreement or agreements for the sale of the whole of the issued share capital of the Company to a single purchaser (or to one or more purchasers as part of a single transaction) where the agreement or agreements in question either is or are unconditional in all respects or (if originally conditional in any respect) is or are or

"Shareholders"	has or have become unconditional in all respects; the A Shareholders, the B Shareholders, the C Shareholders and the L Shareholders;
"Shares"	The A Shares, B Shares, C Shares and D Shares;
"Subsidiaries"	the subsidiaries of the Company from time to time (as defined in Section 736 of the Act);
"Table A"	Table "A" in the Schedule to the Companies (Table A-F) Regulations 1985 as amended and in force at the date of adoption of these Articles.

Words importing the singular number also include the plural number and vice versa.

Words importing the masculine gender also include the feminine gender.

References to persons shall include bodies corporate, unincorporated associations and partnerships.

Words and expressions defined elsewhere in these Articles shall bear the meaning thereby ascribed to them.

Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles.

- (B) The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The Regulations contained in Table A numbered 41, 64, 65-69, 73-76, 78, 81, 84, 102 and 110 shall not apply, but subject as aforesaid, the following shall be the Articles of Association of the Company.

### Share Capital

2. (A) The authorised share capital of the Company at the date of the adoption of these Articles is £210,000 divided into 31,127 A Shares 31,127 B Shares, 17,746 C Shares, 70,000 D Shares and 60,000 Preference Shares all of £1 each.
- (B) The issued share capital at the date of and prior to the adoption of these Articles comprises 31,127 A Shares, 31,127 B Shares and 17,746 C Shares fully paid.
- (C) Subject to the rights of the Preference Shareholders set out in Article 3 below for the purposes of section 80 of the Act, the Directors are unconditionally authorised during the period of 5 years immediately following the date of the adoption of these Articles to issue all or any of the unissued share capital of the Company from time to time provided that the Directors may also issue any Shares outside such period where (subject as aforesaid) the obligation to make such issue was incurred (actually or contingently) during such period.
- (D) In the exercise of the powers conferred on them by paragraph (C) above the Directors are authorised to allot all or any of the unissued share capital of the Company to such of the Shareholders or as they may direct and in such numbers and proportions as the Directors in their absolute discretion may resolve and sections 89(1) and 90(1) to (6) of the Act shall not apply to any such allotment.

### Preference Shares

3. The rights attaching to the Preference Shares are as follows:-

(A) Dividends and Capital

- (1) as regards dividends to the extent that payment thereof out of profits would be lawful the Preference Shareholders shall be entitled to receive

in each year on the Dividend Date, in priority to the holders of any other class of Share, and the Company shall pay any dividend declared hereafter to the Preference Shareholders until such time as the Preference Shareholders shall have received, the Preference Dividend. If any Preference Dividend is for whatever reason not paid in full on the Dividend Date ("the Default Date") then the Company shall be liable to pay to the Preference Shareholders on the next date the Preference Dividend is due, in addition to the Preference Dividend then payable, an amount (net of any advanced corporation tax payable by the Company) equal to the aggregate of the unpaid Preference Dividend on the Default Date and interest thereon at a rate equal to 7% per annum to be calculated daily from the Default Date.

- (2) As regards capital, the Preference Shareholders shall be entitled in priority to the holders of any other class of share to receive out of the assets of the Company available for distribution amongst the members on a winding up of the Company or other return of capital by the Company, an amount equal to the Redemption Value in respect of each of the Preference Shares held together with a sum equal to the Preference Dividend then outstanding calculated down to the date of the return of assets and thereafter the Preference Shares shall rank pari passu in all respects with the Shares as if they were all shares of the same class.

(B) Redemption

- (1) as regards redemption (subject to the Act) the Company shall have the right to redeem all or any of the Preference Shares for the time being outstanding at any time PROVIDED that Preference Shares redeemed pursuant to this right shall be redeemed no later than 31<sup>st</sup> March 2008. Where a redemption is proposed the Preference Shareholders shall be given previous notice in writing thereof.

- (2) On each occasion that it redeems any Preference Shares the Company shall redeem such Preference Shares pro rata between holders of Preference Shares to ensure that the number of Preference Shares held by each Preference Shareholder is thereby reduced in the same proportion.
- (3) Any notice of redemption shall specify the particular shares to be redeemed, the date fixed for redemption and the place in the United Kingdom at which the certificates for such shares are to be presented for redemption. On that date each of the holders of the shares concerned shall deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that they may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate delivered to the Company includes any Preference Shares which are not to be redeemed on that occasion a fresh certificate for such shares shall be issued to the holder delivering such certificate to the Company.
- (4) There shall be paid on each Preference Share redeemed:-
  - (i) the Redemption Value; and
  - (ii) any arrears, deficiency or accruals of the Preference Dividend (such arrears, deficiency or accruals to be calculated down to the date of redemption on the basis that such dividends are payable irrespective of whether they have been earned or declared or not).
- (5) As from the date fixed for redemption of any Preference Shares the Preference Dividend thereon shall cease to accrue except or in relation to any Preference Share in respect of which upon due presentation of the certificate relating thereto payment in full of the redemption monies is refused.

(6) Subject to the provisions of the Act all of the Preference Shares shall (unless the holders of 75% of the Preference Shares give notice in writing to the Company to the contrary) be redeemed immediately upon the date of a Listing.

(C) Voting

The Preference Shareholders shall have the right to receive notice of and to attend and to vote either in person or by proxy at any General Meeting of the Company. Each such Preference Shareholders shall have on a show of hands one vote and on a poll one vote for each Preference Share held.

(D) Preference Shareholders' Class Consents

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares the consent or sanction of the Preference Shareholders (given in accordance with the provisions of Article 16 of these Articles) shall be required:-

- (1) to the creation allotment or issue of any shares or securities (or the grant of any right to acquire such allotment or issue) by the Company ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares or to the grant of any right to require the allotment or issue of the same (other than the creation allotment or issue of any Shares or securities made or agreed to be made on the date of adoption of these Articles);
- (2) to amend the provisions of Article 6 hereof concerning the exercise by the Board of the powers of the Company to borrow money and other powers;

(3) to the payment of any dividend to the Shareholders unless the Company shall have first paid the Preference Dividend.

A Shares, B Shares, C Shares and D Shares

4. The rights attaching to the A Shares, B Shares, C Shares and D Shares are as follows:-

(A) Dividends and Capital

(1) Subject to any Preference Shares being in issue the A Shareholders, B Shareholders, C Shareholders and D Shareholders shall not be entitled to receive any dividend declared after the date of the adoption of these Articles unless and until the Preference Dividend has been paid in full. Thereafter the Shareholders shall be entitled to receive any dividend declared pro rata in proportion to the amounts paid up on the Shares held by them respectively pari passu as if the Shares constituted one class of shares.

(2) On a return of capital on a liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied, subject always to the rights of the Preference Shareholders pursuant to Article 3, belong to and be distributed amongst the holders of the Shares in proportion to the amounts paid up on the Shares held by them respectively pari passu as if they were one class of shares.

(B) Voting

The A Shareholders, B Shareholders, C Shareholders and D Shareholders shall have the right to receive notice and to attend and vote either in person or by proxy at any general meetings of the Company. The A Shareholders, the C Shareholders and the D Shareholders shall each have on a show of hands one vote

and on a poll one vote for each such Share held. The holders of the B Shares shall have at any such meeting on a show of hands and on a poll such number of votes as is equal to the aggregate of the votes of the A Shareholders and the votes of the D Shareholders.

**Shares: Special Provisions regarding Offers to Purchase**

5. (1) If any offer is made to the Shareholders or to any of them ("Offeree Holders") to purchase any Shares (or if any intention or proposal to make such offer or transfer becomes known to the Company or the Board) the Offeree Holders shall notify all the Shareholders of such offer, intention or proposal and in the event that the Preference Shareholders give notice to all Shareholders that they wish to accept the offer (as appropriately adjusted in accordance with the following provisions of this Article) ("the Offer") all Shareholders shall be bound to transfer their shares in accordance with the terms of the Offer.
- (2) If any of the member(s) ("the Defaulting Member(s)") fails to comply with the terms of Articles 5(1) the Company shall be constituted the agent of each Defaulting Member for the sale of his Shares in accordance with the provisions of these Articles (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the consideration in trust for each of the Defaulting Members under the provisions of Article 5.2 and cause the proposed purchaser to be registered as the holder of such Shares. The receipt of the Company for the consideration, pursuant to such transfers, shall constitute a good and valid discharge to the proposed purchaser (who shall not be bound to see to the application thereof) and after the proposed purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned



by any person. The Company shall not be obliged to pay the relevant part of the consideration (if any) to the Defaulting Member until he shall have delivered his share certificates or a suitable indemnity in respect thereof and the necessary transfers to the Company.

(3) SUBJECT to the provisions of Article 5.2 in the event of a Sale or Listing at a price per share which would result in the D Shareholders receiving an aggregate amount for the D Shares which would be less than £457,000 in cash or moneys worth to that value ("the Prescribed Amount") the total of any and all cash or moneys worth to the same value receivable in respect of the A Shares in respect of such Sale or Listing shall be reallocated between the holders of the D Shares so as to ensure the following order of application of the aggregate Sale or Listing proceeds as follows:-

- a) firstly in paying to the D Shareholders the Prescribed Amount;
- b) secondly in paying the balance of the aggregate sums due in respect of the A Shares, B Shares and D Shares on a pro rata basis amongst the A Shareholders the B Shareholders and the D Shareholders;

5.2 In the event of a Sale or Listing then notwithstanding anything to the contrary in the terms of and conditions governing such Sale or Listing the selling Shareholders immediately prior to such Sale or Listing shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst the selling Shareholders in the following order of priority:

- (a) first in paying to the Preference Shareholders the Redemption Value on each Preference Share together with any outstanding Preference Dividend unpaid at that date; then

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- (b) in paying to the C Shareholders (in proportion to the number of C Shares being sold by them) either £988,000 in cash or moneys worth to that value; then
  - (c) in carrying out the provisions of Article 5.1(3) (if necessary); and then
  - (d) in paying to the Shareholders and the Preference Shareholders the balance of the consideration payable pursuant to the Sale or Listing pro rata to their respective holdings of Shares [or Preference Shares (as the case may be) at that date SUBJECT TO the amounts paid to the C Shareholders and D Shareholders pursuant to (b) and (c) above being deducted from their respective entitlement under this paragraph (d).

#### Borrowing Powers

6. (1) The board of directors of the Company ("the Board") may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking property and assets (present and future) and uncalled capital of the Company and subject to the Act to issue debentures. The Board shall restrict the borrowings of the Company and the exercise of all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings only by one member of the Group to another member of the Group) shall not without the previous consent in writing of the holders of not less than three-fourths in nominal value of the D Shares, C Shares or the sanction of an Extraordinary Resolution passed at Separate General Meetings of the Shareholders respectively to which the provisions of Article 16 of these Articles shall apply at any time thereafter exceed £5,000,000.

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(2) "borrowings" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:-

- (a) the principal amount of any debenture or borrowed moneys (the beneficial interest whereof is not for the time being owned by a member of the Group) of any body whether corporate or unincorporate the payment or repayment whereof is the subject of a guarantee or indemnity by a member of the Group;
- (b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- (c) the outstanding amount of any guarantee or performance or bid bond given or opened on behalf of any member of the Group;
- (d) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group;
- (e) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group;
- (f) the aggregate of all amounts payable under all agreements entered into by any member of the Group for the leasing hire purchase conditional purchase or purchase on deferred terms and similar transactions in relation to any property or any other assets; and
- (g) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

- (a) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed pending their application for such purpose within such period;
  - (b) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other government department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured; and
  - (c) amounts borrowed or raised which are for the time being deposited with HM Customs and Excise or any other body designated by any relevant legislation or order in connection with import deposit or any similar governmental scheme to the extent that a member of the Group retains its interest therein.
- (3) when the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained any of such moneys denominated or repayment (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business);

(4) "audited balance sheet" shall mean the audited balance sheet of the Company prepared for the purposes of the Act unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Act) and in the latter event "audited balance sheet" shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries;

(5) "the Group" means the Company and its subsidiaries (if any).

A certificate or report by the auditors for the time being of the Company as to the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.

Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

#### Subsidiary Companies

7. The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiaries so as to secure (but as regards its subsidiaries only in so far as by the exercise of such rights or powers of control the Board

can secure) that subject to the provisions of the Act, each subsidiary of the Company shall make such distributions to the Company as shall enable it to pay all dividends falling to be paid on the Preference Shares (or so much of them as the distributable profits of the subsidiaries shall permit).

**Number of Directors**

8. Unless and until otherwise determined by Ordinary Resolution of the Company the Directors shall be not less than two in number and there shall be no maximum number of Directors.

**Age of Directors**

9. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary to give special notice under the Act of any resolution appointing re-appointing or approving the appointment of a Director by reason of his age but where the Board convenes any General Meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such meeting attained the age of seventy years the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent therewith but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such Director thereat.

**Directors Shareholding Qualification**

10. No shareholding qualification for Directors shall be required.

### **Disqualification of Directors**

11. Without prejudice to any of the provisions for disqualification of Directors hereinafter contained the office of a Director shall be vacated if by notice in writing delivered to the office or tendered at a meeting of the Board his resignation is requested by all of the other Directors.

### **Provision for employees**

12. The Board may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

### **Private Company**

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

### **Share Rights**

14. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

15. Subject to the Act and to any special rights conferred on the holders of any shares or class of shares any preference shares may, with the sanction of a special resolution, be issued on terms that they are or at the option of the Company are liable to be redeemed. The terms and manner of redemption shall be provided for by alteration of these Articles.

#### Modification of Rights

16. Subject to the Act, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of any extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of such adjourned meeting one holder present in person or by proxy may constitute a meeting.
17. The special rights conferred upon the holders of any shares or class of shares shall not unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.



### Shares

18. Subject to the provisions of the Act and these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
19. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act.
20. Except as ordered by a Court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
21. Subject to the provisions of these Articles Regulation 54 of Table A shall apply to the voting rights of the Members of the Company.

### Notices

22. Every notice calling a General Meeting shall comply with the provisions of Section 372(3) of the Act, and all notices and other communications relating to a General Meeting which any Member is entitled to receive shall also be sent to the auditor for the time being of the Company.

### Resolutions

23. Any such resolution in writing as is referred to in Regulation 53 of Table A may consist of several documents in the like form each signed by one or more of the Members (or their duly authorised representatives).
24. A Member of the Company may request at any time a replacement share certificate in respect of his Shares and the Company will issue the same to the relevant Member.

### Proceedings at General Meetings

25. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, and the reports of the Directors and auditors, the appointment of and the fixing of the remuneration of the auditors and the fixing of the remuneration of the Directors.
26. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members shall be dissolved. In any other case it 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 and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
27. It shall not be necessary to give any notice of any adjourned meeting and Regulation 45 of Table A shall be construed accordingly.
28. 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 shall be modified accordingly.

29. A Member for whom a receiver, curator bonis or other person in the nature of a receiver or curator bonis has been appointed by a Court in England and Wales and Scotland having jurisdiction in that behalf on the ground that a Member is incapable by reason of mental disorder of managing and administering his property and affairs may vote, whether on a show of hands or on a poll, by the person so appointed and that person may appoint a proxy to vote on a poll on behalf of the Member.

#### Directors

30. Without prejudice to the obligation of any Director to disclose his interest in accordance with Section 317 of the Act a Director may vote as a Director in regard to any contract, transaction or arrangements in which he is interested, or upon any matter arising thereout, and if he does so vote his vote shall be counted and he shall be reckoned in calculating a quorum when any such contract transaction or arrangement is under consideration and Regulation 94 of Table A shall be modified accordingly.
31. The office of Director shall be vacated if the Director:-
- (i) becomes bankrupt or make any arrangements or composition with his creditors generally; or
  - (ii) becomes prohibited from being a Director by reason of any order made under the Company Directors Disqualification Act 1986; or
  - (iii) in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director; or
  - (iv) resigns his office by notice in writing to the Company.
32. (A) Any director may by writing under his hand appoint (1) any other Director, or (2) any other person, who in the case of all Directors is approved by the Board of Directors as hereinafter provided to be his Alternate; and every such Alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices

of all meetings of the Directors and in the absence from the Board of the Directors appointing him, to attend and vote at meetings of the Directors and to exercise all the powers rights duties and authorities of the Director appointing him. A Director may at any time revoke the appointment of an Alternate appointed by him and subject to such approval as aforesaid appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his Alternate shall thereupon cease and determine. A Director acting as Alternate shall have an additional vote at meeting of Directors for each Director for whom he acts as Alternate but he shall count as only one for the purpose of determining whether a quorum be present.

(B) Every person acting as an Alternate Director shall be acting on behalf of the Director so appointing him and that Director shall be responsible to the Company for such Alternate Director's acts and defaults, and he shall be deemed to be the agent of or for the Director appointing him and the remuneration of any such Alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the Alternate and the Director appointing him.

33. The Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company as the Directors may decide such appointment being (subject to Section 319 of the Act, if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company), if he ceases to hold the office of Director from any cause, ipso facto and immediately cease to hold such executive office.

34. The Chairman of the Board shall have a casting vote at any meeting of the Board and Regulation 88 of Table A shall be modified accordingly.

**Dividends**

35. Subject to the provisions of the Act and the special rights conferred on the holders of any class of shares by these Articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members.

**Reserves**

36. The Board may before recommending any dividend, set aside out of the profits of the Company at the discretion of the Board such sums as they think proper as a reserve or reserves which shall be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may also at their discretion either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

**Capitalisation of Profits**

37. (A) Subject to the special rights conferred on the holders of any shares or any class of shares, the Company may upon the recommendation of the Board at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares debentures or other obligations of the Company to be allotted and distributed credited as fully among such Members, or partly in one

way and partly in the other, and the Board shall give effect to such resolution, provided that for the purposes of this Article a share premium account and a capital redemption reserve fund may be applied only in the paying up of unissued shares to be allotted to such Members credited as fully paid.

(B) The Company may upon the recommendation of the Board at any time from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in the paying up in full of unissued shares to be allotted as fully paid shares by way of capitalisation to the Members or any class of Members who would have been entitled to that sum if it were distributed by way of dividend, and in the same proportions and the Board shall give effect to such resolution.

38. Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.
39. The Company is hereby authorised to purchase its own shares in accordance with the provisions of S.162(1) of the Act.