

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

## **ARTICLES OF ASSOCIATION**

OF

## **GKN AUTOMOTIVE LIMITED**

Adopted by Special Resolution passed on 29<sup>th</sup> November 2000

Registered Number: 34104

Incorporated: 29<sup>th</sup> May 1891



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**1. Table A**

- 1.1 The Regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended at the date of adoption of these Articles ("Table A"), shall except where they are excluded or varied by or inconsistent with these Articles apply to the Company. No other regulations set out in any statute or statutory instrument concerning companies shall apply as regulations of the Company.

**2. Interpretation**

- 2.1 In these Articles unless the context otherwise requires:

"these Articles" means these Articles of Association in their present form or as from time to time altered;

the "Companies Acts" means every statute from time to time in force concerning companies insofar as the same applies to the Company;

"Member" means a member of the Company;

every reference in Table A to the "Act" shall be construed as if the reference were to the Companies Acts;

any words or expressions defined in the Companies Act 1985 in force at the date when these Articles are adopted shall bear the same meaning in these Articles; where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is required a special resolution shall also be effective.

### **3. Share Capital**

3.1 The share capital of the Company as at the date of the latest amendment to these Articles of Association is £71,000,000 divided into:

- (i) 9,000,000 Ordinary Shares of £1 each; and
- (ii) 62,000,000 Preference Shares of £1 each.

The Preference Shares shall confer upon the holders thereof as a separate class the following rights:

#### **Income**

- (a) As to income, the Preference Shares shall confer upon the holders thereof the right in priority to any payment by way of dividend of the Company to receive (exclusive of any imputed tax credit available to shareholders) a cumulative preferential dividend (the "Preferential Dividend").
- (b) The Preferential Dividend shall in respect of each Preference Share from time to time in issue be at the Specified Gilt Rate plus 1.30% per annum in respect of the year or part of a year commencing with the date of issue of the relevant Preference Share and ending on the first anniversary of the first issue by the Company of any Preference Shares and, in respect of each following year ending on an anniversary of the date of first issue by the Company of any Preference Shares (a "Subsequent Dividend Year"), at the Specified Gilt Rate plus 1.30% per annum increased by the percentage increase in the index of retail prices published by the Office for National Statistics (the "Retail Prices Index") from the date 30 days prior to the date of the first issue by the Company of any Preference Shares to the date 30 days prior to the last day of the relevant Subsequent Dividend Year, and proportionately for any part of a year from the date of issue. For the purposes of this article 4, the "Specified Gilt Rate" shall be the prospective real redemption rate, based on a projected inflation rate of 3%, of 2.5% index linked 2016 UK gilts, based on an RPI base for indexing of 81.6, as quoted in the Financial Times on the day 30 days prior to the relevant anniversary of the first issue by the Company of any Preference Shares (or if the Financial Times is not published on such day, on the first day prior to that day on which it is published, and if the Financial Times does not contain the relevant information, as determined by the Company's auditors for the time being).
- (c) Subject to Part VIII of the Companies Act 1985 the Preferential Dividend shall be:
  - (i) paid (exclusive of any imputed tax credit available to shareholders) on each anniversary of the first issue by the Company of any Preference Shares; and
  - (ii) without any resolution of the Directors of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) accrue from day to day and on each such anniversary become a debt due from and immediately payable by the Company to the holders of the Preference Shares pro rata according to the number of Preference Shares held by each such shareholder, as the case may be.

## Redemption

- (d) Subject to the Act, the Preference Shares shall be redeemed by the Company without notice, on 29 November 2015.
- (e) Where any Preference Shares are to be redeemed in accordance with (d) above, the Company shall be obliged prior to making any payment to any other shareholder or shareholders of the Company, subject to having sufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Preference Shares on the date fixed for their redemption and to pay to the relevant holder of the relevant Preference Shares an amount (the "Redemption Monies") equal to £1.50 increased by the percentage increase in the Retail Prices Index from the date 30 days prior to the date of the first issue by the Company of any Preference Shares to the date 30 days prior to 29 November 2015 for each such Preference Share, and such amounts shall, subject to the Company having available profits or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such Preference Shares. If and to the extent that the debt so constituted is not paid in full on the due date, the unpaid amount shall carry interest at an annual rate of 2% above the base rate from time to time of Barclays Bank Plc in respect of the period from and including the due date down to and including the date of actual payment.
- (f) If the Company is unable, because of having insufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Preference Shares on the date fixed for their redemption, the Company shall redeem as many of such Preference Shares as can lawfully and properly be redeemed (where there is more than one holder of Preference Shares, pro rata to their respective holdings) and shall redeem the balance as soon as it is lawfully and properly able to do so.
- (g) On the date fixed for redemption, each of the holders of Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate(s)) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Preference Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the Redemption Monies.

## Capital

- (h) On a return of capital on winding-up or capital reduction or otherwise (a "Return of Capital"), the holders of the Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to the repayment of a sum calculated in accordance with the following formula:

$$\text{RPI} \times \pounds(1.50^{N/15})$$

where N is equal to the number of years (including fractions of a year) which have elapsed between the date of issue of the relevant Preference Share and the date of the Return of Capital; and

RPI is equal to the Retail Prices Index on the date of the Return of Capital divided by the Retail Prices Index on the date of issue of the relevant Preference Share.

The holders of the Preference Shares shall not be entitled to any further right of participation in the assets of the Company.

## General Meeting

- (i) The holders of the Preference Shares shall, by virtue of and in respect of their holdings of the Preference Shares, have the right to receive notice of, attend, speak and vote at a General Meeting of the Company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares (in which case they shall only be entitled to vote on such resolution).
- (j) Except in the circumstances set out above, the holders of the Preference Shares shall not have the right to receive notice of, attend, speak or vote at any General Meeting of the Company.

## Voting

- (k) Whenever the holders of the Preference Shares are entitled to vote on a resolution at a General Meeting of the Company, on a show of hands, every such holder who is present in person or (being a corporation) by a representative shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have one vote in respect of each fully-paid Preference Share registered in the name of such holder.

- 3.2 Subject to the provisions of the Companies Acts and these Articles and to any direction to the contrary which may be given by ordinary or other resolution of the Company, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, allot, grant options over or grant any right or rights to subscribe for such shares or any right or rights to convert any security into such shares or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine.
- 3.3 Sub-section (1) of section 89 and sub-sections (1) to (6) (inclusive) of section 90 of the Companies Act 1985 shall not apply.

#### **4. Notice of General Meetings**

- 4.1 Notice of every General Meeting shall be given in any manner authorised by or under these Articles to all Members other than to Members who under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company. Any Member may in writing waive notice of any meeting either prospectively or retrospectively and if he does so it shall be no objection to the validity of such meeting that notice was not given to him.
- 4.2 If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum. Regulation 40 of Table A shall be amended accordingly.
- 4.3 A resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held and may consist of several instruments in like form each executed by one or more Members. For the purpose of this Article in the case of joint holders of a share the signature of any one of such joint holders and where any Member is a body corporate the signature of a Director or the Secretary or other duly authorised officer, shall be sufficient. Regulation 53 of Table A shall not apply.
- 4.4 Any decision taken by a sole Member pursuant to Article 4.3 above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

## **5. Powers and Duties of Directors**

5.1 Subject to the provisions of the Act as to disclosure of interests, a Director may vote in respect of any transaction, agreement, contract or arrangement with the Company in which he is in any way, whether directly or indirectly, interested and may be counted in the quorum present at any meeting of the Directors at which such transaction, agreement, contract or arrangement is considered. Accordingly Regulations 94, 95 and 96 of Table A shall not apply. For the purposes of this Article, an interest of a person who is, for any purpose of the Act, 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.

5.2 Regulation 87 of Table A shall not apply.

In relation to past and present Directors and employees and their families or dependants or any of them, the Directors may exercise all the powers of the Company to:-

- (a) establish and maintain pension, superannuation, insurance and similar schemes;
- (b) contribute to associations or funds which may benefit any such persons; and
- (c) pay such expenses and contributions and do such other things in relation to such schemes, associations or funds as the Directors may think fit.

A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.



## **6. Divisional Directors**

- 6.1
- (a) The Directors may decide that the business of the Company or any part or parts may be carried on as a Division or Divisions of the Company and may discontinue or amalgamate any such Division.
  - (b) The Directors may constitute a Divisional Board of each Division and appoint Divisional Directors to manage the affairs of such Division. All such Divisional Directors shall be appointed and removed by the Directors as the Directors think fit.
  - (c) The Directors may delegate to a Divisional Board (with powers to sub-delegate) such of their powers, authorities and discretions in relation to that Division and on such terms and conditions, as they may think fit.
  - (d) A Divisional Director shall not be constituted a Director of the Company by reason only of holding the position of Divisional Director.

## **7. Appointment and Removal of Directors, Secretary and Assistant Secretary**

- 7.1
- (a) So long as any person ("a majority holder") holds more than 50 per cent of the issued ordinary share capital of the Company, regulations 73 – 80 and 99 of Table A shall not apply.
  - (d) The majority holder shall have power at any time and from time to time by Notice in writing to the Company:
    - (i) to appoint any person a Director;
    - (ii) to remove any Director from office;
    - (iii) to appoint any person as Company Secretary or Assistant Secretary; and
    - (iv) to remove the Company Secretary or any Assistant Secretary from office.

Where the majority holder is a body corporate, such notice shall be in writing and signed by a Director or the Secretary of such body corporate.

- 7.2 The Directors and the Company by ordinary resolution shall each have power at any time and from time to time to appoint any person to be a Director. Any Director so appointed shall (subject to Regulation 81 of Table A and to the provisions of the Companies Acts) hold office until he is removed pursuant to these Articles.
- 7.3 The Directors and the Company by ordinary resolution shall each have the power at any time and from time to time to appoint any person as the Company Secretary or as an Assistant Secretary for such term, at such remuneration and upon such conditions and for such purposes as they may think fit. Any Company Secretary or Assistant Secretary so appointed shall hold office until he is removed by the Directors or the majority holder pursuant to these Articles.

## **8. Proceedings of Directors**

- 8.1 A meeting of the Directors or of a committee of the Board may consist of a conference between parties who are not all in one place, but each of whom is able (directly or by video conference or telephonic communication) to speak to and hear each of the others simultaneously. Any party taking part in such conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the Chairman of the meeting then is. The word 'meeting' in these Articles shall be construed accordingly.

## **9. Indemnity**

- 9.1 The Directors, Secretary, Auditors, and other officers of the Company shall be indemnified out of its assets against all liability incurred by them as such in defending any proceedings, whether civil or criminal, in respect of alleged negligence, default, breach of duty or breach of trust, in which judgement is given in their favour, or in which they are acquitted or in connection with any application under the Statutes in which relief is granted to them by the Court or to such other extent as may be permitted by the Statutes.