

**THE COMPANIES ACT 1985**

**HOPYARD FOUNDRIES LIMITED (the "Company")**

**(Company Number 00993427)**

**WRITTEN RESOLUTION**

We the undersigned, being all members of the Company who (at the date of these Resolutions) are entitled to attend and vote at a general meeting of the Company, hereby agree by a Written Resolution of the Company duly passed on *Thursday* the *20<sup>th</sup>* day of *May* 1999, pursuant to Section 381A of the Companies Act 1985 to the following Resolutions being passed as Written Resolutions of the Company (which would otherwise be required to be passed as special resolutions):-

1. That the provisions (as the same may be amended, varied, supplemented or substituted from time to time) of those of the documents referred to below to which the Company is party to and proposing to enter into and grant in connection with (inter alia) the acquisition by Jiltgrove Limited (the "Parent") of the entire issued share capital of the Company's holding company Allied Insulators Limited ("Allied") and the entire issued share capital of Wade Potteries Limited ("Wade" and the "Acquisition" respectively) be and are hereby approved and (notwithstanding any provisions of the Memorandum and Articles of Association of the Company or any personal interest of any of the directors) the directors of the Company be and are hereby empowered, authorised and directed to complete and enter into such documents being:-
  - 1.1 a facilities agreement for the provision to the Parent and certain of its subsidiaries of (1) a secured term loan of up to £840,000 relating to properties (the "Loan Facility"), (2) a loan facility relating to plant and machinery of up to £588,000 (the "Plant and Machinery Loan Facility"), (3) an inventory facility of up to £750,000 (the "Inventory Facility") and (4) an over advance facility of up to £1,000,000 (the "Over Advance Facility") to be made



- between the Parent, Allied, Wade, Wade Ceramics Limited, Allied Insulators Group Limited and BNY International Limited (the "Bank") (the "Facilities Agreement");
- 1.2 an invoice discounting facility agreement to be made between Wade Ceramics Limited and the Bank (the "Invoice Discounting Agreement");
  - 1.3 an invoice discounting facility agreement to be made between Allied Insulators Group Ltd ("Insulators Group") and the Bank (the "Second Invoice Discounting Agreement" and together with the Invoice Discounting Agreement the "I D Agreements");
  - 1.4 two loan note instruments between the Parent and Capital Partners II Limited ("CPL") (the "Loan Note Instruments");
  - 1.5 a form of composite guarantee and debenture to be given by Allied and each of its subsidiaries and Wade and its subsidiaries (together the "Group") to the Bank securing, among other obligations, sums due under the Facilities Agreement and the ID Agreements (the "Debenture");
  - 1.6 an assignment of key-man insurance to be entered into by the Parent in favour of the Bank and CPL (as Trustee) (the "Insurance Assignment");
  - 1.7 an intra group funding agreement to be made between the Parent, the Company and the other members of the Group (the "Intra Group Funding Agreement");
  - 1.8 a form of composite guarantee and debenture to be given by the Company and the other members of the Group to CPL (as Trustee) securing payments to be made under the Loan Note Instruments (the "Second Debenture");
  - 1.9 an intercreditor deed between amongst others BNY International Limited (1) CPL (as Trustee) (2) Jiltgrove Limited and (3) the Companies named therein (the Group Companies) (the "Intercreditor Deed");

(each such document being a "Document")

(The Facilities Agreement and the ID Agreements are together referred to as the "Bank Facility Agreements").

2. That notwithstanding that the entering into and granting of the Documents, including without limitation, the Debenture and the Second Debenture, would constitute financial assistance within the meaning of sections 151-158 (inclusive) of the Companies Act 1985 for the Company such entry and grant and the giving of such financial assistance is in the best interests of the Company;
3. That the giving of such financial assistance by the Company be and is hereby approved and that the Company entering into and/or granting the Documents to which they are a party be and are hereby approved.
4. That the Memorandum of Association of the Company be amended as follows:-

by the insertion of the following additional clauses:-

- "(A) Insofar as the same is permitted by law to give financial assistance directly or indirectly for the purpose of the acquisition of shares in the Company or in any company which is for the time being the Company's holding company or for the purpose of reducing or discharging any liability incurred by any person for the purpose of the acquisition of shares in the Company or of shares in any company which may from time to time be the Company's holding company (as that expression is defined in the Companies Act 1985).
- (B) Either with or without the Company receiving any consideration or advantage, direct or indirect, from giving any such guarantee or indemnity, and so as to be an independent object of the Company, to guarantee and give indemnities in respect of the performance of the obligations and/or the discharge of the liabilities of any person, firm or company including (without limiting the

generality of the foregoing) any company which is for the time being the Company's holding company or subsidiary (both as defined by the Companies Act 1985) ("holding company" and "subsidiary" respectively) or a subsidiary of the Company's holding company or otherwise associated with the Company in business and in respect of any obligations and/or liabilities including the payment of capital or principal together with any premium of and any dividends or interest on or other payment in respect of loans, credits, stocks, shares or securities or other obligations or liabilities of any nature whatsoever and without limiting the generality of the foregoing obligations and/or liabilities for the repayment of money and/or discharge of liabilities both present and future, actual or contingent and insofar as the same is not prohibited by law, obligations and liabilities incurred in connection with or for the purpose of the acquisition of shares in the Company or for the time being the Company's holding company due, owing or incurred to bankers or any other person by any company, firm or person, and in particular, (but not by way of limitation) by the Company's holding company or a subsidiary of the Company or of the Company's holding company or any company which is contemplated to become the Company's holding company, or otherwise associated with the Company in business or of any company, firm or person which the directors of the Company shall think appropriate or for any purpose whatsoever as the Company sees fit.

- (C) To support or secure whether by personal covenant or creating mortgages, charges or liens upon all or any part of the undertaking, property or assets of the Company (present and future) including any uncalled capital of the Company or both such means, on such terms as may seem expedient, any obligations of the Company itself (whether as principal or surety) and/or any other person, firm or company including (without limiting the generality of the foregoing) the obligations of the Company's holding company or associated company or otherwise generally and as the Company sees fit."

and by inserting the following after and in addition to the new sub-clause (C):-

"AND so that:-

- (a) None of the provisions set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such provision and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause, or by reference to or inference from the name of the Company.
- (b) Each of the sub-clauses of this clause shall, unless it expressly provides to the contrary, be deemed to set out a separate, distinct and independent object of the Company and not a power ancillary or incidental to the objects set out in any other sub-clause"

5. That the Articles of Association of the Company be amended by the addition of the following as a new clause 4.5:-

4.5 "Notwithstanding anything contained in these Articles, whether expressly or impliedly contradictory to the provisions of this Special Article (to the effect that any provision contained in this Special Article shall override any other provision of these Articles):-

4.5.1 The Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof, where such transfer:-

4.5.1.1 is to any bank, institution or other person to which such shares have been charged by way of security, or to any nominee of such a bank,

institution or other person (or a person acting as agent or security trustee for such person) (a "Secured Institution"); or

4.5.1.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or

4.5.1.3 is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security,

and the Directors shall forthwith register any such transfer of shares upon receipt and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be required to offer the shares which are or are to be the subject of any transfer as aforesaid to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for any valuable consideration or otherwise.

4.5.2 The Directors shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in Special Article 4.5.1 above).

4.5.3 The minimum number of Directors shall be one and there shall be no maximum number of Directors.

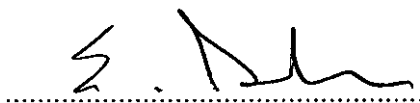
4.5.4. The registered holder from time to time of the majority of the issued ordinary share capital of the Company or the holder or holders of share warrants in respect of such majority shall have the right at any time and from time to time by notice delivered to the registered office of the Company or to any meeting of the board of Directors of the Company accompanied in the case of share

warrants by a Director's letter, to appoint to the office of Director and/or to remove from the office of Director any person or persons as such registered holder shall in its absolute discretion think fit so that it may by notice remove all persons then acting as Directors of the Company from that position and appoint new persons to act in their place.

4.5.5 A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effective as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members and shall be effective whether or not an auditors' statement under section 381B of the Companies Act 1985 has been obtained."

4.5.6 Subject to compliance with sections 151-158 Companies Act 1985 the Company shall be permitted to give financial assistance in respect of a purchase of its own shares or the shares of any holding company of the Company.

Dated 20 May 1999



Allied Insulators Limited