

**COMPANIES ACTS 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

of

**FEDERAL-MOGUL EUROFRICTION LIMITED (THE "COMPANY")**


**Dated 16 January 2004**

We, the undersigned, being all the members of the above Company entitled to receive notice of, attend and vote at general meetings of the Company hereby, pursuant to section 381A of the Companies Act 1985, AGREE AND RESOLVE THAT the following paragraphs be added to the Company's Articles of Association (so that they appear at the end of the current Articles of Association):


- "W. Unless and until the Company by Ordinary Resolution shall otherwise determine, the number of directors shall not be less than one. Regulation 64 of Table A ("Table A") in the Schedule to the Companies (Tables A to F) Regulations shall not apply to the Company and any other provision of these Articles imposing a minimum number of directors shall be modified and read subject to this Article W.
- X. Without prejudice to Article Y below, if and for so long as there is more than one director, the quorum for the transaction of business at meetings of the directors may be fixed by the directors and if not so fixed shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- Y. If and for so long as there is only one director, the quorum for the transaction of business at meetings of the directors shall be reduced to one and such sole director may act alone in exercising without limitation all the powers and authorities vested in the directors of the Company by these Articles and Table A. Regulations 89 and 90 of Table A shall not apply and any provision in these Articles which requires the quorum for the transaction of business at a meeting of directors to be more than one or which would otherwise prohibit a sole director from exercising any right or power vested in the directors as a whole shall be read as if such quorum was one and such prohibition did not apply in circumstances where (but only in such circumstances) the number of directors was reduced to one.



- Z. The above Articles W, X and Y shall apply notwithstanding any other provisions of these Articles of Association which are contrary to the terms of such Articles W, X and Y or which cover the same subject matter but in a different manner and which were subsisting or adopted prior to the adoption of the aforesaid Articles W, X and Y."

  
.....  
for and on behalf of

T&N Limited

  
.....  
for and on behalf of

T&N Welfare Trust Limited

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THE COMPANIES ACTS, 1948 to 1981

COMPANY LIMITED BY SHARES

SUBSTITUTED

ARTICLES OF ASSOCIATION

OF

FEDERAL-MOGUL EUROFRICTION LIMITED

(Adopted by special resolution passed on 23 March 1982)

(Amended by Shareholders' Resolution dated 16 January 2004.....)

PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in or made applicable by Part II of Table A in the First Schedule to the Companies Act 1948 as amended by the Companies Acts, 1967 to 1981 (hereinafter referred to as "Table A") shall apply to the Company.

SHARE CAPITAL

2. The share capital of the Company at the date of adoption of these Articles is £10,000 divided into 10,000 shares of £1 each
3. Save as provided by contract or these Articles to the contrary, and subject to any direction of the Company by ordinary resolution, all unissued shares of the Company shall be at the disposal of the Directors, and they may allot, grant options over or otherwise deal with or dispose of the same to such persons, at such times, and generally on such terms as they think proper, but so that no shares shall be issued at a discount, except in accordance with the provisions of Section 57 of the Act.

CALLS ON SHARES

4. In Regulation 15 of Part I of Table A the words "provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less

than one month from the date fixed for the payment of the last preceding call" shall be omitted.

#### TRANSFER OF SHARES

5. In Regulation 22 of Part I of Table A the words 'and transferee' shall be omitted.

#### PROCEEDINGS AT GENERAL MEETINGS

6. In Regulation 54 of Part I of Table A the words "meeting shall stand dissolved" shall be substituted for "members present shall be a quorum".

#### DIRECTORS

7. Regulation 75 of Part I of Table A shall not apply. Unless otherwise determined by a general meeting the number of Directors shall not be less than two.
8. Regulation 77 of Part I of Table A shall not apply. A Director need not hold any share qualification but shall be entitled to receive notice of and to attend all general meetings of the Company.

#### BORROWING POWERS

9. The proviso to Regulation 79 of Part I of Table A shall not apply.

#### POWERS AND DUTIES OF DIRECTORS

10. Notwithstanding anything in these Articles contained the Directors shall have no power to deal with any of the following matters or to transact any business relating thereto unless and until Turner & Newall PLC ("T&N") so long as it is the beneficial owner of not less than 75 per cent in nominal value of the issued shares of the Company shall have given its approval to the exercise by the Directors of the power of the Company in regard thereto such approval to be evidenced either by a copy of a resolution of or an extract from the minutes of a meeting of the Board of Directors of T&N certified by one of such Directors or by the Secretary of T&N or by a letter signed either by any two of such Directors or by any one Director and the Secretary.

- (a) Any material change in the nature of the business carried on by the Company whether by the addition of a new type of business or the abandonment of any type of business carried on by the Company at the date of such change.
- (b) Any sale or disposal or dealing with the undertaking property rights or assets of the Company or of any part thereof but so that this provision shall not apply to the ordinary trading transactions of the Company concerned with the purchase, manufacture or sale of the goods (or the raw materials or other components of which they are composed) which the Company produces manufactures or sells nor shall it apply to any sale disposal or dealing as aforesaid where the amount involved does not exceed in respect of any one transaction included in a budget approved by T&N the sum of £100,000 and in respect of any one transaction not included in a budget approved by T&N the sum of £20,000.
- (c) Any purchase or acquisition on capital account for a sum exceeding in the case of a transaction included in a budget approved by T&N £100,000 and in the case of a transaction not included in a budget approved by T&N £20,000 in principal amount other than any purchase or acquisition of raw materials or other goods required in connection with the manufacture or supply of the goods sold from time to time by the Company and which are not being purchased or acquired under a contract requiring approval under paragraph (d) hereof.
- (d) The execution of any agreements or contracts imposing any continuing obligations or restrictions on the Company other than agreements or contracts entered into either for a period not exceeding one year or for an indefinite period determinable by not more than six months notice whether given during or after a period of one year.
- (e) Any fusion, amalgamation, union of interests or working arrangements with any other party.
- (f) Any lending or borrowing of money, issue of securities or creation of any mortgage or charge by the Company.

- (g) The issue of unissued shares or making of calls on shares.
- (h) Allocations to reserves, payments or recommendations of dividend or other distributions of capital or profits, or amounts to be written off against profits or assets in respect of wear and tear and depreciation of plant and buildings.
- (i) The grant of a pension or a gratuity or a retirement benefit to any officer or employee of the Company or the establishment of a pension fund or life assurance scheme or any payment of the nature referred to in Section 191 of the Act.
- (j) Any refusal to register a proposed transfer of a share.

The monetary limits referred to in this Regulation may be changed by T&N from time to time by notice in writing to the Company signed either by any two Directors or by any one Director and the Secretary of T&N.

- 11. (1) So long as it shall own beneficially at least 75 per cent in nominal value of the issued shares of the Company T&N may from time to time and at any time by notice in writing to the Company (signed either by any two Directors or by any one Director and the Secretary of T&N) effect any of the following matters, that is to say:-
  - (a) Appoint any person as a Director of the Company either as an additional Director or to fill any vacancy, and remove from office any Director howsoever appointed.
  - (b) Appoint one of the Directors of the Company for the time being to be Chairman of the Company and one or more of the Directors of the Company for the time being to be Deputy Chairman Chief Executive, Managing Director or Managing Directors of the Company or to hold such other office in the management of the business of the Company as it may decide and for such period as it shall think fit and (subject to the provisions of any agreement between him or them and the Company) remove him or them from office and appoint another or others in his or their place or places.

- (c) Fix the remuneration and other terms and conditions of appointment of any Chairman, Deputy Chairman, Chief Executive, Managing Director or Director holding any other office in the management of the business of the Company and (subject to the provisions of any agreement between him or them and the Company) vary the same from time to time and so that any remuneration fixed under this paragraph may be made payable to such Director in addition to or in substitution for such ordinary remuneration (if any) as a Director as he may from time to time be entitled to receive and may without prejudice to the provisions of Regulation 12 be made payable by a lump sum or by way of bonus or commission on the profits or turnover of the Company or of any other company in which the Company is interested or other participation in any such profits or by any or all or partly by one and partly by another or others of those modes.
- (d) Entrust and confer such of the powers exercisable under these Articles by the Directors (not being powers for the exercise of which any approval is required under Regulation 10) as it thinks fit to and upon any Chairman, Deputy Chairman, Chief Executive, Managing Director or Director holding any other office in the management of the business of the Company and determine the time, objects, purposes, terms, conditions, and restrictions for, upon and subject to which such powers are conferred and whether the same are conferred collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and from time to time revoke, alter or vary all or any of such powers.
- (2) A Chairman, Deputy Chairman, Chief Executive or Managing Director or a Director holding any other office in the management of the business of the Company shall (subject to the provisions of any agreement between him or

them and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the Company and shall ipso facto and immediately cease to be Chairman, Deputy Chairman, Chief Executive or Managing Director or to hold such other office in the management of the business of the Company if he ceases to hold the office of Director from any cause.

12. Subject to Regulation 10:-

- (a) The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation funds or life assurance scheme for the benefit of and pay, provide for or procure the grant of donations gratuities, pensions, allowances, benefits or emoluments to any persons including Directors and other officers who are or shall have been at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or of the predecessors in business of the Company or of any such subsidiary company, or is allied to or associated with the Company and the wives, widows, families or dependants of any such persons.
- (b) The Directors may procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or its members or of any such other company as aforesaid and payments for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.
- (c) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any such other company as aforesaid.



13. A Director may vote as a Director in regard to any contract or arrangement with the Company in which he is interested as a Director or shareholder of the Company or any subsidiary or holding company of the Company or of any subsidiary of the Company's holding company or upon any matter arising thereout and if he shall so vote his vote shall be counted and he shall be counted in a quorum when any contract or arrangement in which he is interested is under consideration whether or not he would otherwise be disqualified from voting thereon; and Regulation 84 of Part I of Table A shall be deemed to be modified accordingly.

#### ROTATION OF DIRECTORS

14. Regulations 89 to 97 of Part I of Table A shall not apply.

#### PROCEEDINGS OF DIRECTORS

15. So long as T&N shall own beneficially at least 75 per cent in nominal value of the issued shares of the Company Regulation 101 of Part I of Table A shall not apply.

#### MANAGING DIRECTOR

16. So long as T&N shall own beneficially at least 75 per cent in nominal value of the issued shares of the Company Regulations 107 to 109 inclusive of Part I of Table A shall not apply.

#### SECRETARY

17. The Directors may also appoint an assistant Secretary or assistant Secretaries or a temporary substitute for the Secretary any of whom shall for all the purposes of these Articles be deemed to be the Secretary. Any assistant Secretary or temporary substitute so appointed may be removed by the Directors.
- W. Unless and until the Company by Ordinary Resolution shall otherwise determine, the number of directors shall not be less than one. Regulation 64 of Table A ("Table A") in the Schedule to the Companies (Tables A to F) Regulations shall not apply to the Company and any other provision of these Articles imposing a minimum number of directors shall be modified and read subject to this Article W.
- X. Without prejudice to Article Y below, if and for so long as there is more than one director, the quorum for the transaction of business at meetings of the directors may be fixed by the directors and if not so fixed shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

- Y. If and for so long as there is only one director, the quorum for the transaction of business at meetings of the directors shall be reduced to one and such sole director may act alone in exercising without limitation all the powers and authorities vested in the directors of the Company by these Articles and Table A. Regulations 89 and 90 of Table A shall not apply and any provision in these Articles which requires the quorum for the transaction of business at a meeting of directors to be more than one or which would otherwise prohibit a sole director from exercising any right or power vested in the directors as a whole shall be read as if such quorum was one and such prohibition did not apply in circumstances where (but only in such circumstances) the number of directors was reduced to one.
- Z. The above Articles W, X and Y shall apply notwithstanding any other provisions of these Articles of Association which are contrary to the terms of such Articles W, X and Y or which cover the same subject matter but in a different manner and which were subsisting or adopted prior to the adoption of the aforesaid Articles W, X and Y.